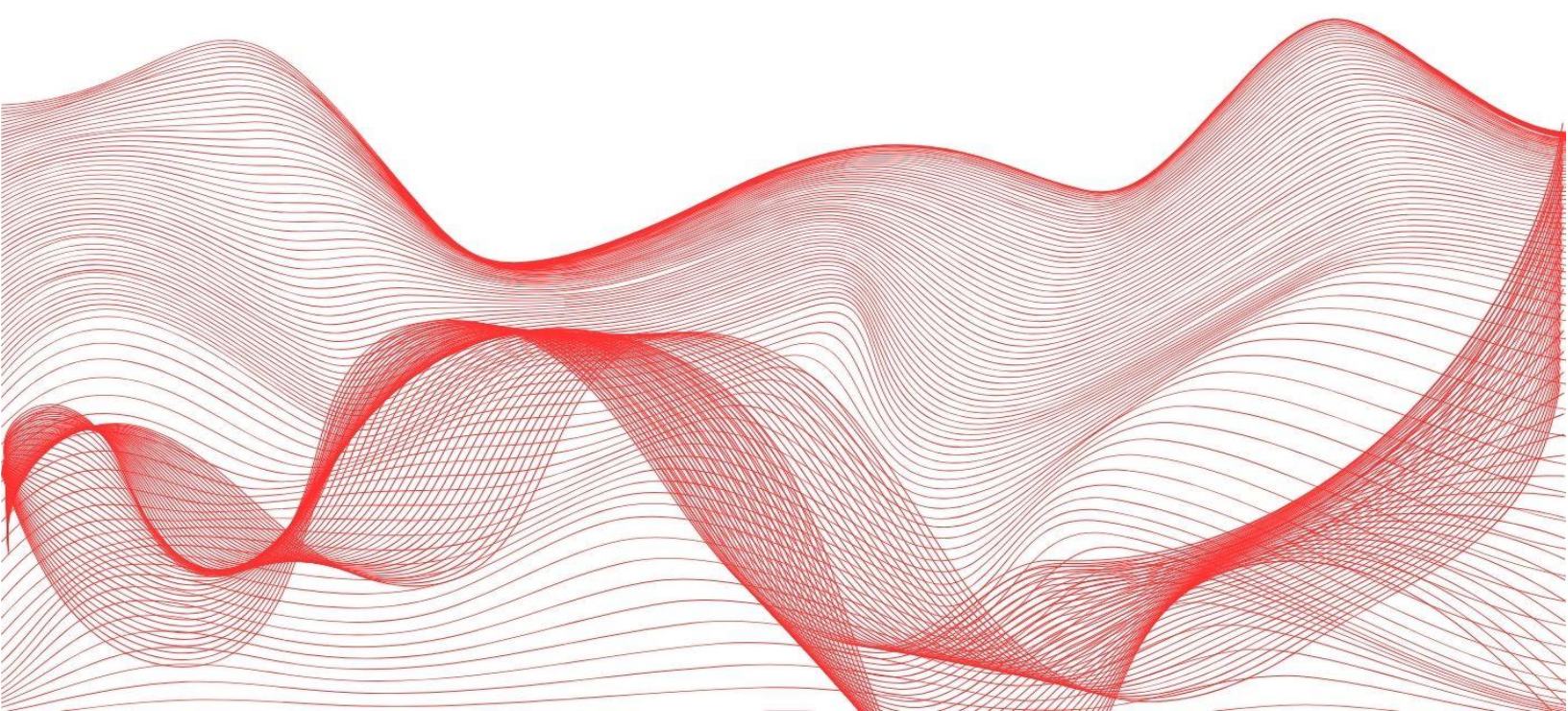


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J M A R T

MD & A 2023



Ref: IR67/002

12 February 2024

Subject: Management Discussion and Analysis for the year 2023 (Edited)
Attention: President
The Stock Exchange of Thailand

According to Resolution No. 1/2024, dated 12 February 2024, of the Board of Directors of Jaymart Group Holdings Public Company Limited ("**the Company**"), it is resolved to approve the financial statements and operating results of the Company and its subsidiaries for the year 2023. These have been audited by the company's auditor and yield the following results:

Overview of the Jaymart group:

For the results of the Company's and its subsidiaries' performance, consolidated financial statements, for year 2023, the Company had a net loss of 447 million baht, If the Company exclude unrealized gain (loss) on other financial assets amounting to 843 million baht, the Company would have achieved a net profit from operations of 396 million baht, with details of the operating results of each business line and the direction of future operating results in the following explanation.

1. Mobile phone and accessories distribution business

In the fiscal year 2023, under the management of Jaymart Mobile Company Limited ("Jaymart Mobile"), the mobile phone and accessories distribution business witnessed significant expansion nationwide, with the opening of several branches, totaling 319 outlets (inclusive of IT Junction), decreasing by 8.9% compared to the previous year, reaching a total of 8,699 million baht. Additionally, the Company had a net profit of 119 million baht, attributable to the sale of 0.7 million mobile phone units.

The Company maintains an optimistic outlook regarding its operational performance in 2024, anticipating sales to surpass those of 2023, driven by The emergence of new technologies such as Generative AI is expected to enhance customer interest in smartphones that integrate AI capabilities and the company aims to enhance synergies with other entities within the group, such as

introducing mobile loan services that incorporate features like device locking in case of missed loan installments, akin to the offerings provided by Samsung Finance Plus.

2. Non-performing debt management business

The non-performing debt management business under the management of JMT Network Services Public Company Limited ("JMT") continues to demonstrate consistently strong operational performance. In 2023, JMT achieved its highest-ever profit target, with a net profit of 2,010.7 million baht, marking a notable growth of 15.2 percent compared to the previous year.

The company remains optimistic about its growth trajectory, reaffirming its commitment to surpassing the operational achievements of the previous year, 2023. As a result of JMT's unprecedented level of unsecured distressed investments in the preceding year, there will be an increase in cash collections for the future.

3. Real estate development business

In 2023, under the management of JAS Asset Public Company Limited ("JAS"), the real estate development business had a net profit of 192.6 million baht, marking a decrease of 4.8 percent compared to the previous year. This decline in net profit can be attributed to two one-time factors: provisions for bad debts and share of losses from investments in joint ventures.

The Company holds an optimistic outlook for the future operating results of its subsidiary, JAS Asset, in 2024. Plans are underway for the opening of three additional shopping center projects: JAS Green Village Ramkhamhaeng, JAS Green Village Prawet, and JAS Green Village Khon Kaen, the latter of which is presently in development. Additionally, space has been allocated for factory development.

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

Singer Thailand Public Company Limited ("Singer") reported a net loss of 3,210 million baht, while its subsidiary, SG Capital Public Company Limited, incurred a net loss of 2,275 million baht, attributable to hire-purchase receivables that were affected by Covid-19 in the past 2-3 years.

Outlook 2024, the company is optimistic about Singer's performance. This optimism stems from a period of refining work processes and enhancing operational efficiency, particularly in the prudent granting of hire purchase loans. Consequently, there has been an improvement in debtor quality, and the company has allocated ample reserves for non-performing debts to address risks encountered in the previous year.

5. Technology business

J Ventures Company Limited ("J Ventures"), a subsidiary of Jaymart, operates within the technology sector. In the preceding year of 2023, J Ventures achieved significant milestones across various domains. Notably, J Ventures attained membership in NDID (National Digital ID) and stands prepared to serve as a Public IdP (Public Identity Provider), facilitating digital identity verification services for NDID RP members, governmental entities, and private sector organizations. These services encompass identity verification and authentication (eKYC) for a diverse range of entities spanning various industries seeking reliable identity verification solutions.

Furthermore, J Ventures has spearheaded the implementation of JFIN Chain, a Blockchain platform, with strategic collaborations such as partnering with BitmonsterNFT and NFT game etc.

6. Group companies that Jaymart has invested in new (New Investment)

#	Company	%	Development
1	BNN Restaurant Group Company Limited (Suki Tee Noi or Teenoi) Type of investment: Associated company, realized 30% share of profit from shareholding.	30.0	As of the end of December 2023, Suki Tee Noi boasts a total of 55 branches. Throughout the past year, 2023, Suki Tee Noi expanded its footprint by inaugurating 13 new branches. Notably, some of these branches have extended their reach to other provinces, including Chonburi, Suphanburi, and Nakhon Ratchasima, strategically targeting areas with a high density of customer traffic. Emphasizing a

#	Company	%	Development
			<p>commitment to offering Suki-Shabu dining experiences that provide exceptional value for customers, Suki Tee Noi has successfully resonated with diverse customer segments.</p> <p>In the fiscal year 2023, the Company garnered a share of profits from its 30% holdings in Suki Tee Noi shares, amounting to 274 million baht out of the total of 913 million baht (excluding Purchase Price Allocation: PPA). Additionally, the company engaged in collaborative marketing initiatives with Jaymart Group, facilitating activities such as exchanging accumulated points for buffet fees as outlined in promotional campaigns.</p>
2	<p>Buriram Sugar Public Company Limited (“BRR”)</p> <p>Type of Investments: Fair Value Through the Income Statement</p>	9.49	<p>The Company has strategically invested in BRR, recognizing the potential for collaborative economic endeavors. Throughout the past year of 2023, this partnership has been multifaceted, encompassing various initiatives. These include facilitating product sales among farmers, assuming the role of underwriter for automobiles and agricultural products, as well as providing financial support directly (ngen-kiao) to farmers 270 million baht.</p>
3	<p>PRTR Group Public Company Limited (“PRTR”)</p> <p>Type of Investment : Fair Value Through Equity</p>	15.0	<p>The Company has engaged in Human Resource Management (HRM) and Human Resource Development (HRD) initiatives in collaboration with PRTR across numerous projects aimed at nurturing and enhancing the potential of its personnel. These efforts have included conducting sales training programs for sales staff and utilizing PRTR's Blacksmith training platform to provide comprehensive training for administrators and directors within the company. Such endeavors are designed to facilitate ongoing knowledge development from subject matter experts in their respective fields.</p>
4	<p>Super Turtle Public Company Limited (“TURTLE”)</p> <p>Type of Investments: Fair Value Through Equity</p>	9.82	<p>The company has partnered with TURTLE to expand branches on BTS stations, which presently have opened 14 branches. Currently in the process of opening additional branches by early 2024.</p>
5	<p>SG Capital Public Company Limited (“SGC”)</p> <p>Type of Investments: Fair Value Through the Income Statement</p>	4.46	<p>In the fiscal year 2023, SGC's management implemented a revised operational strategy aimed at enhancing efficiency, particularly in the leasing and car registration loan sectors. Additionally, the Company proactively allocated adequate reserves for non-performing debt, thereby mitigating potential risks anticipated in the future. Looking</p>

#	Company	%	Development
			ahead to 2024, the Company anticipates improved operational performance compared to the previous year.

Cash Flow Analysis (consolidated financial statements)

For the year 2023, the Company had a net decrease in cash and cash equivalents of 1,967.3 million baht, separated by cash flow details for each activity as follows:

Unit : Million Baht	2022	2023
Cash flows from (used in) operating activities	(921.9)	(1,113.2)
Cash flows from (used in) investing activities	(3,133.7)	(5,223.8)
Cash flows from financing activities	5,570.1	4,369.7
Net increase (decrease) in cash and cash equivalents	1,514.5	(1,967.3)

Cash flows from operating activities in the year 2023, the Company had net cash used in operating activities 1,113.2 million baht. The primary reason for this increase is attributable to the subsidiary heightened activity in acquiring the loans receivable from purchase of accounts receivable during the year.

Cash flows from investing activities in the year 2023, the Company had net cash used in investing activities 5,223.8 million baht, decreased due to an increasing of loan from the subsidiary for capital in JK Asset Management Ltd.

Cash flow from financing activities in the year 2023, the Company had net cash from financing activities 4,369.7 million baht, increased mainly due to the Company's bonds issued, net of bond repayments amounted to 3,760.6 million baht during the year.

Performance Summary

An analysis of the operating results for the fiscal year 2023 demonstrates a clear recovery in the operational performance of the Jaymart Group. The primary businesses within the group have shown positive operating results and net profits. Below are the detailed operating results of the group's companies:

Performance Summary (Summary Table)

Consolidated financial statements	2022		2023		Change	
	MB.	%	MB.	%	MB.	%
Revenue from contracts with customers	9,560.6	68.7%	8,872.1	64.6%	(688.5)	-7.2%
Interest income from loans receivable from purchase of accounts receivable and loans to customers	2,608.6	18.7%	3,272.5	23.8%	663.9	25.5%
Gains on loans receivable from purchase of	1,182.8	8.5%	914.4	6.7%	(268.4)	-22.7%

Consolidated financial statements	2022		2023		Change	
	MB.	%	MB.	%	MB.	%
accounts receivable						
Rental income	290.0	2.1%	368.2	2.7%	78.2	27.0%
Insurance income	278.0	2.0%	316.3	2.3%	38.3	13.8%
Total revenues from sales and services	13,920.0	100.0%	13,743.5	100.0%	(176.5)	-1.3%
Cost of sales	8,123.8	58.4%	7,528.3	54.8%	(595.5)	-7.3%
Cost of services	1,055.0	7.6%	1,250.3	9.1%	195.3	18.5%
Cost of rental	84.0	0.6%	112.0	0.8%	28.0	33.3%
Insurance expenses	346.3	2.5%	247.3	1.8%	(99.0)	-28.6%
Total cost of sales and services	9,609.1	69.0%	9,138.0	66.5%	(471.1)	-4.9%
Gross profit	4,310.9	31.0%	4,605.5	33.5%	294.6	6.8%
Sales promotion income	487.1	3.5%	335.9	2.4%	(151.2)	-31.0%
Management income	47.4	0.3%	84.4	0.6%	37.0	78.1%
Other income	203.8	1.5%	176.8	1.3%	(27.0)	-13.2%
Gain (loss) on fair value adjustment of investment properties	120.2	0.9%	231.8	1.7%	111.6	92.8%
Unrealized gain (loss) on other financial assets	400.8	2.9%	(847.9)	-6.2%	(1,248.7)	-311.6%
Gain on sales of investment	65.1	0.5%	62.4	0.5%	(2.7)	-4.1%
Reversal for impairment of assets	2.8	0.0%	0.8	0.0%	(2.0)	-71.4%
Selling and distribution expenses	1,108.5	8.0%	1,158.9	8.4%	50.4	4.5%
Administrative expenses	1,164.8	8.4%	1,571.8	11.4%	407.0	34.9%
Selling and administrative expenses	2,273.3	16.3%	2,730.7	19.9%	457.4	20.1%
Operating profit	3,364.7	24.2%	1,919.0	14.0%	(1,445.7)	-43.0%
Finance income	15.4	0.1%	245.1	1.8%	229.7	1491.6%
Finance cost	(706.5)	-5.1%	(1,069.1)	-7.8%	(362.6)	51.3%
Share of profit from investments in joint ventures	96.2	0.7%	521.4	3.8%	425.2	442.0%
Share of profit (loss) from investments in associates	247.9	1.8%	(631.6)	-4.6%	(879.5)	-354.8%
Income tax revenues (expenses)	(402.9)	-2.9%	(385.7)	-2.8%	17.2	-4.3%
Profit (loss) attributable to the Company	1,795.0	12.9%	(447.0)	-3.3%	(2,242.0)	-124.9%

Revenues analysis

The Company's total revenue for the year of 2023 was 13,743.5 million baht, a decrease of 176.5 million baht from the previous year or a decrease 1.3% due to the following reasons:

1. Revenue from contracts with customers in 2023 was 8,872.1 million baht, a decrease of 7.2% from the previous year. The decline in Singer's sales can be attributed to the tightening of the lending process.
2. Interest income from purchases of receivables and gains on loans from purchases of receivables amounted to 4,186.9 million baht in 2023. This figure represents a notable increase of 395.5 million baht, reflecting a growth rate of 10.4%. This increase can be attributed to enhanced debt collection practices implemented during the period.
3. Rental income was 368.2 million baht, an increase of 78.2 million baht or an increase of 27%. This increase was mainly due to increased rental income and service income from the community mall project. All the community malls reflected higher space rental rates. In addition, increased utility income comes from implementing policies that adjust electricity prices to be consistent with related costs.
4. Insurance income amounted to 316.3 million baht, reflecting an increase of 38.3 million baht or 13.8%. This growth is attributed to the expansion of insurance channel.

Gross Profit

The Company achieved a gross profit, as per the consolidated financial statements for 2023, amounting to 4,605.5 million baht. This signifies a notable increase of

294.6 million baht or 6.8% compared to the corresponding period of the previous year. This growth is attributed to expanding revenues from business segments characterized by favorable profit margins, notably collection debt business, real estate development business, and insurance business.

Selling and Administrative Expenses

The Company recorded sales and administrative expenses totaling 2,730.7 million baht, according to the consolidated financial statements for 2023. This represents a significant increase of 457.4 million baht or 20.1 percent compared to the corresponding period of the previous year. The rise in expenses can be attributed to increased costs associated with subsidiary employees due to business expansion, as well as heightened marketing expenditures within the subsidiaries.

Net loss

The Company's net loss for the fiscal year 2023 amounted to 447 million baht, indicating a decrease of 2,242 million baht or 124.9 percent compared to the corresponding period of the previous year. This decline primarily stems from the share of losses from investments in associated companies, along with unrealized loss from other financial assets 843 million baht. Excluding unrealized losses from other financial assets, the Company would achieve a net profit of 396 million baht.

Summary of financial positions

Assets

As at 31 December 2023, the Company's total assets the amount shown in the consolidated financial statements was 62,239.7 million baht, an increase from the end of 2022 by 6,838.6 million baht or 12.3%. This increase can be attributed to expanded loans used to finance JK AMC

and the acquisition of receivables from JMT. Additionally, there was a rise in investment properties and fixed assets within JAS, as reflected in the consolidated financial statements.

As per the financials, the company holds cash and cash equivalents totaling approximately 2,044 million baht, excluding investments in funds valued at approximately 2,684.7 million baht, excluding investments in marketable equity instruments. With this robust financial position, the company maintains confidence in its ability to generate

sufficient cash flow to support operational needs and facilitate future debt repayments.

Liabilities and Shareholders' Equity

As at 31 December 2023, the Company had total liabilities of 29,511.8 million baht, an increase from the end of 2022 by 4,892.1 million baht or 19.9% because in 2023 the Company issued debenture for business expansion, while shareholders' equity equal to 32,727.8 million baht. The Company has a debt-to-equity ratio of 0.90 times and an interest-bearing debt to equity ratio of 0.81 times.

Forward Looking

In 2024, the Company remains steadfast in its commitment to achieving improved operating results compared to the previous year, 2023. The business operations of the associate company, Singer, were notably affected by the COVID-19 situation in 2023, leading to a decline in debtors' repayment capabilities. In response, operational adjustments were implemented within this business segment, emphasizing a more streamlined lending process, alongside the establishment of sufficient reserves to mitigate risks associated with lending activities.

Regarding the main business segment of the group, particularly the management and tracking of non-performing debts under JMT's management, the company anticipates continued growth in 2024, building upon the momentum of the previous year, 2023. In 2023, JMT achieved record levels of non-performing debt acquisition and auctioning, predominantly comprised of unsecured debt. JMT remains poised to closely monitor cash inflows stemming from this portfolio throughout the entirety of the upcoming year.

Sustainable Development

Jaymart Group Holdings Public Company Limited is aware of the importance of sustainable development for all stakeholder groups, economic, social and environmental dimensions. In 2023, Jaymart operated by the linkage of performance in response to the United Nations Sustainable Development Goals (SDGS). There are important operations as follows.

Environment

Jaymart has implemented environmental management and resource conservation continuously, developing strategies to drive sustainable business practices. The company places emphasis on implementing effective environmental management models and systems, aiming to raise employee awareness of environmental protection. This initiative starts with individual responsibility and extends to broader environmental stewardship. Additionally, Jaymart is committed to environmental

protection in the areas where it operates, ensuring compliance with relevant regulations and upholding principles of good corporate governance. The Company will operate in various areas as follows:

1. To achieve the goal of reducing the use of externally purchased energy, the company installed an On-Grid Solar rooftop at the Jaymart Head Office, covering the rooftop area of Buildings A and B. The installation, completed in January 2023, was carried out by JGS Synergy Power Company Limited, a subsidiary of Jaymart Group Companies specializing in the distribution of Solar rooftop equipment. According to the company's electrical energy usage data for 2023, the company procured 2,163.2 MWh of electricity from external sources for use at the Jaymart Building Head Office, amounting to 10,734,384 baht. This reflects a decrease of 78.4 MWh or 3.5 percent compared to the previous year. This reduction can be attributed to the production of electricity from solar energy by the Solar rooftop installation in 2023, which generated a total of 210 MWh of electricity, accounting for 8.9 percent of the electricity usage for the year. This resulted in a cost saving of approximately 1,042,249.4 baht and contributed to a reduction in greenhouse gas emissions by up to 104,997.49 tCO₂eq. This reduction is equivalent to planting approximately 13,124.68 trees per year, based on estimations of electricity production and greenhouse gas absorption.
2. Continuously collaborating with Care the Whale network and the Stock Exchange in managing corporate waste, the Company is engaged in campaigns aimed at reducing waste generation at its source. This includes promoting the practice of sorting waste before disposal and ensuring proper waste management based on waste type. Moreover, the Company is committed to maximizing waste reuse through recycling and upcycling efforts. The results of the "Invisible Garbage" operation conducted from 1 January to 31 December 2023, spanning a total of 365 days, revealed significant progress. Employees within the organization collectively separated a total of 8,180.40 kilograms of waste. This effort has the potential to reduce greenhouse gas emissions by 17,799.71 kgCO₂eq, which is equivalent to planting 1,978 large trees aged 10 years.
3. On 20 October 2023, Jaymart Group Holdings Public Company Limited was awarded the Greenhouse Gas Reduction Coalition Organization Award by the Stock Exchange of Thailand in collaboration with the Greenhouse Gas Management Organization (Public Organization) during the Climate Care Forum 2023: "Time to Reduce for the World" event. This event was held under the auspices of the "Climate Care Platform" initiative, which aims to encourage all sectors to recognize the importance of timely action in reducing and managing valuable resources. During the event, certificates of honor were presented, including recognition for the Project to Support Greenhouse Gas Reduction Activities (LESS Project) by the TGO. Additionally, a special lecture titled "Climate Crisis: Time to Reduce" was delivered, accompanied by the symbol of the "Climate Clock." This symbol signifies the urgency of the situation, emphasizing that time is running out and underscoring the imperative to act promptly to reduce greenhouse gas emissions. This initiative aligns with Thailand's goal of achieving carbon neutrality by 2050 and attaining net zero greenhouse gas emissions by 2065.

Social

1. The Company is committed to human resource management and has thus implemented labor practices to attract and retain employees possessing the requisite skills and abilities for long-term engagement with the organization.

These efforts aim to mitigate personnel shortages while continually enhancing the human resource system to augment employee capabilities. Additionally, the Company remains steadfast in its commitment to ethical principles, ensuring compliance and preventing all forms of human rights violations.

2. The Company offers a diverse range of skill development programs and comprehensively promotes the advancement of both personal skills and career paths for its employees. This process begins with identifying skill gaps, providing training to enhance existing skills (Upskilling), and introducing new skills (Reskilling). This ensures that all employees possess key skill sets relevant to the Company's business strategy and vision.
3. The Company focuses on enabling its business operations to coexist harmoniously and sustainably with the community, society, and environment by strengthening good relationships with the community, throughout its business activities in 2023, Jaymart has not encountered any disputes with the community or society. Additionally, the Company prioritizes compliance with laws related to human rights and strict environmental regulations.

Governance

1. Jaymart is committed to operating according to the principles of good governance, which form an essential foundation for sustainable business growth. With the objective of running business operations efficiently, the Company has established guidelines for corporate governance based on the principles of good corporate governance. These guidelines adhere to various laws and regulations issued by government agencies and related regulatory bodies. Additionally, the Company has implemented measures to prevent and address potential incidents, while effectively managing associated risks to maintain them at an acceptable level.
2. To underscore the commitment to combating corruption and fraud, the Company has conducted training sessions on the topic "The Role of Executives and Employees in Combating Corruption and Fraud" (Anti-Corruption). Additionally, a signing ceremony declaring the collective intention to prevent corruption was held by executives and employees on 19 October 2023 together with subsidiaries and associates at Jaymart building (Head Office), and broadcast live nationwide via ZOOM program to all employees within Jaymart group. The objective of organizing this event is to raise awareness about the importance of combating corruption and fostering an organizational culture that does not condone, tolerate, or engage in any form of corruption. These initiatives are crucial for enhancing trustworthiness among society, investors, and all stakeholders of the Company towards the organization.

Please be informed accordingly.

Yours faithfully,

- Signed –

(Ms. Ladda Waruntarakun)

Company secretary

Mr. Panya Chutisiriwong

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Investor Relations

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