

May 13, 2024

Subject: Management Discussion and Analysis for the first quarter ended 31 March 2024

To the Director and Manager
The Stock Exchange of Thailand

As Jenkongklai Public Company Limited (the "Company") has submitted the first quarter of 2024 financial statements for the 3-month period ended 31 March 2024 that have been reviewed by a certified public accountant to the Stock Exchange of Thailand. For the first three months of 2024, the company had a net profit of Baht 24.76 million, an increase of Baht 14.23 million, representing an increase of 135.09% compared to the same period of the previous year with a net profit of Baht 10.53 million. Changes in operating results can be explained as follows.

Summary of Operating Performance

Statement of Comprehensive Income	First three months of 2024		First three months of 2023	
	Baht million	%	Baht million	%
Revenue from services rendered	152.16	100.00%	111.56	100.00%
Costs of services rendered	(110.08)	72.34%	(83.20)	74.58%
Gross profit	42.08	27.66%	28.36	25.42%
Other income	0.83	0.55%	0.42	0.38%
Administration expenses	(13.05)	8.58%	(13.53)	12.13%
Gain (loss) on disposal of fixed assets	0.00	0.00%	0.00	0.00%
Profit before finance costs and tax	29.86	19.63%	15.25	13.67%
Finance costs	(1.07)	0.71%	(1.60)	1.43%
Profit before tax	28.79	18.92%	13.65	12.24%
Income tax	(4.03)	2.65%	(3.11)	2.79%
Net profit for the period	24.76	16.27%	10.54	9.45%

Revenue structure

Revenue categorized by service type	First three months of 2024		First three months of 2023	
	Baht million	%	Baht million	%
(1) Revenue from parking service (PS)	93.38	61.37%	83.91	75.21%
(2) Revenue from parking management service (PMS)	20.94	13.76%	21.01	18.83%
(3) Revenue from consultant and installation parking system service (CIPS)	34.73	22.83%	2.94	2.64%
(4) Revenue from other services	3.11	2.04%	3.70	3.32%
Total revenue from service rendered	152.16	100.00%	111.56	100.00%

For the first three months of 2024 and 2023, the company had income from services amounting to Baht 152.16 million and Baht 111.56 million, respectively. Income for the first three months of 2024 increased by Baht 40.60 million, representing an increase of 36.40%. The main increase comes from the revenue from the parking service business (PS), amounting to Baht 9.47 million, representing an increase of 11.29%, and revenue from the consultant and installation parking management systems service business (CIPS), amounting to Baht 31.79 million, representing an increase of 1,081.29% due to the projects of Smart Parking Management System and Guidance System, which the company was granted contract from MRT in mid-2023, have gradually recognize income in proportion to the work completed (Percentage of Completion) according to financial reporting standards.

Costs of services rendered and gross profit

Costs of services rendered and gross profit	First three months of 2024		First three months of 2023	
	Baht million	%	Baht million	%
Employee expenses	34.32	31.18%	30.10	36.18%
Depreciation and amortization	20.76	18.86%	20.09	24.15%
Parking service space rental expense	24.83	22.56%	19.46	23.39%
Parking systems design and installation costs	19.96	18.13%	2.30	2.76%
Other costs of services	10.21	9.28%	11.25	13.52%
Total costs of services rendered	110.08	100.00%	83.20	100.00%
% to revenues from services rendered		72.34%		74.58%
% of gross profit margin		27.66%		25.42%

Costs of services rendered include employee expenses, depreciation and amortization, parking service space rental fees, parking systems design and installation costs, and other costs of services.

For the first three months of 2024, the company had costs from services of 110.08 million baht, with costs from services increasing by 26.88 million baht or an increase of 32.31% from the same period of the previous year. It is caused by:

- (1) Parking systems design and installation costs increased by Baht 17.66 million, which is in line with the increase in revenue from consultant and installation parking management system service (CIPS).
- (2) Parking service space rental fees increased by Baht 5.37 million due to variable rental payments based on increased income or profits resulting from the increased utilization of the parking slots.
- (3) Employee expenses increased by Baht 4.22 million due to employee bonus payments and the allocation of central employee expenses directly related to the consultant and installation of the parking management system service (CIPS) according to their work process plan.
- (4) Depreciation and amortization increased by Baht 0.67 million due to the amortization of the right of use, which is calculated based on rental rates.

For the first three months of 2024, the company had a gross profit of Baht 42.08 million, representing a gross profit margin of 27.66%. This was higher than the gross profit of the same period last year of Baht 28.36 million, representing a gross profit margin of 25.42%, due to the gross profit from the recognition of income in proportion to the success of the consultant and installation parking management systems projects.

Administrative expenses

Administrative expenses	First three months of 2024		First three months of 2023	
	Baht million	%	Baht million	%
Employee expenses	7.93	60.77%	7.61	56.25%
Professional and consulting service fees	1.04	7.97%	1.61	11.90%
Depreciation and amortization	1.61	12.34%	2.27	16.78%
Other administrative expenses	2.47	18.93%	2.04	15.08%
Total administrative expenses	13.05	100.00%	13.53	100.00%
% to revenue from services rendered		8.58%		12.13%

Administrative expenses include employee expenses, professional and consulting service fees, depreciation and amortization, and other administrative expenses.

For the first three months of 2024, the company had administrative expenses of Baht 13.05 million, accounting for 8.58% of service income. Administrative expenses decreased by Baht 0.48 million, representing a decrease of 3.55% from the same period of the previous year. It is caused by:

- (1) Professional and consulting service fees decreased by Baht 0.57 million due to the payment of professional fees in the IPO process.
- (2) Depreciation and amortization decreased by Baht 0.66 million due to some assets that had already been fully depreciated.
- (3) Employee expenses increased by Baht 0.32 million due to the increase in hiring in various departments, such as legal and sales.
- (4) Other administrative expenses increased by Baht 0.43 million, such as public relations and seminars.

Finance costs

For the first three months of 2024, the company has financial costs of Baht 1.07 million, accounting for 0.71% of service income. The financial costs decreased by Baht 0.52 million from the same period of 2023 due to lower interest expenses realized from the lease agreement.

Net profit and net profit margin

For the first three months of 2024, the company had a net profit of Baht 24.76 million, representing a net profit margin of 16.28%, compared to a net profit of Baht 10.53 million for the same period in 2023, representing a net profit margin of 9.44%. This is mainly due to the improved revenue and profitability of the parking service business (PS) and consultant and installation parking system service business (CIPS).