

August 8, 2024

Subject: Management Discussion and Analysis for the second quarter ended 30 June 2024

 To President
 The Stock Exchange of Thailand

As Jenkongklai Public Company Limited (the "Company") has submitted the second quarter of 2024 financial statements for the three-month period ended 30 June 2024 that have been reviewed by a certified public accountant to the Stock Exchange of Thailand. For the three months in second quarter of 2024, the Company had a net profit of Baht 25.93 million, an increase of Baht 8.66 million YoY, representing an increase of 50.14% compared to the same period of the year 2023 with a net profit of Baht 17.28 million. Changes in operating results can be explained as follows:

Summary of Operating Performance

Statement of Comprehensive Income	2nd quarter of 2024		2nd quarter of 2023	
	Baht million	%	Baht million	%
Revenue from services rendered	145.53	100.00%	142.02	100.00%
Costs of services rendered	(101.76)	69.92%	(108.68)	76.52%
Gross profit	43.77	30.08%	33.34	23.48%
Other incomes	1.56	1.07%	0.46	0.32%
Administration expenses	(13.20)	9.07%	(13.58)	9.56%
Gain/(loss) on disposal of fixed assets	(0.03)	0.02%	(0.31)	0.22%
Profit before finance costs and tax	32.10	22.06%	19.91	14.02%
Finance costs	(1.26)	0.86%	(1.24)	0.87%
Profit before tax	30.84	21.20%	18.67	13.15%
Income tax	(4.91)	3.37%	(1.39)	0.98%
Net profit for the period	25.93	17.82%	17.28	12.17%

Revenue structure

Revenue categorized by service type	2nd quarter of 2024		2nd quarter of 2023	
	Baht million	%	Baht million	%
(1) Revenue from parking service (PS)	89.25	61.33%	81.37	57.30%
(2) Revenue from parking management service (PMS)	21.40	14.70%	20.38	14.35%
(3) Revenue from consultant and installation parking system service (CIPS)	31.99	21.98%	36.32	25.57%
(4) Revenue from other services	2.89	1.99%	3.95	2.78%
Total revenue from service rendered	145.53	100.00%	142.02	100.00%

For the three-month period ended 30 June 2024 and 2023, the Company had income from services amounting to Baht 145.53 million and Baht 142.02 million, respectively. The income increased by Baht 3.51 million YoY, representing an increase of 2.47%. The main increase comes from the increase in the revenue from the parking service business (PS), amounting to Baht 7.88 million, representing an increase of 9.68%. Also the increase in revenue from parking management service business (PMS) amounting to Baht 1.02 million representing an increase of 5.00%. On the other hand, the revenue from the consultant and installation parking management systems service business (CIPS) was decreased by Baht 4.33 million, representing a decrease of 11.92% due to the projects of Smart Parking Management System and Guidance System, which the Company was granted contract in mid-2023, have gradually recognize income in proportion to the work completed (Percentage of Completion) according to financial reporting standards had a lesser progress for income recognition than that of the same period last year. This is normal practice of S-Curve by the end of project nearly to complete. Other services revenue was reduced by Baht 1.06 million or 26.84% due to discontinuing some lease contracts that expired in December 2023.

Costs of services rendered and Gross profit

Costs of services rendered and Gross profit	2nd quarter of 2024		2nd quarter of 2023	
	Baht million	%	Baht million	%
Employee expenses	29.05	28.55%	25.65	23.60%
Depreciation and amortization	19.14	18.81%	25.76	23.71%
Parking service space rental expense	25.54	25.10%	19.79	18.21%
Parking systems design and installation costs	17.76	17.45%	26.39	24.28%
Other costs of services	10.27	10.09%	11.09	10.20%
Total costs of services rendered	101.76	100.00%	108.68	100.00%
% to revenues from services rendered		69.92%		76.52%
% of gross profit margin		30.08%		23.48%

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 three-month period ended 30 June 2024, the Company had costs from services of Baht 101.76 million, decreasing by Baht 6.92 million YoY or a decrease of 6.37% from the same period last year. It is caused by:

- (1) Parking systems design and installation costs decreased by Baht 8.63 million, which is in line with the increase in CIPS revenue.
- (2) Depreciation and amortization decreased by Baht 6.62 million due to the discontinuation of 2 lease contracts and certain assets were fully depreciated according to the original lease term.
- (3) Parking service space rental fees increased by Baht 5.75 million, especially sharing-based rental fee due to variable rental payments as per an increase of income or profits resulting from the increased utilization of the parking slots.
- (4) Employee expenses increased by Baht 3.40 million due to the increased minimum wage effective since January 2024.

For the three-month period ended 30 June 2024, the Company had a gross profit of Baht 43.77 million, representing a gross profit margin of 30.08%. This was higher than the gross profit of the same period last year of Baht 33.34 million, representing a gross profit margin of 23.48%, due to the proportional recognition of CIPS revenue according to their percentage of completion.

Administrative expenses

Administrative expenses	2nd quarter of 2024		2nd quarter of 2023	
	Baht million	%	Baht million	%
Employee expenses	7.87	59.62%	10.00	73.64%
Professional and consulting service fees	1.12	8.49%	1.44	10.60%
Depreciation and amortization	1.67	12.65%	1.18	8.69%
Other administrative expenses	2.54	19.24%	0.96	7.07%
Total administrative expenses	13.20	100.00%	13.58	100.00%
% to revenue from services rendered		9.07%		9.56%

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

For the three-month period ended 30 June 2024, the Company had administrative expenses of Baht 13.20 million, accounting for 9.07% of service income. Administrative expenses decreased by Baht 0.38 million YoY, representing a decrease of 2.80% from the same period of the previous year. It is caused by:

- (1) Employee expenses decreased by Baht 2.13 million due to reallocation of the central employee expenses that were directly related to the CIPS projects according to the project working plan.
- (2) Professional and consulting service fees decreased by Baht 0.32 million because there were no expenses relating to professional fees in the IPO process.
- (3) Depreciation and amortization increased by Baht 0.49 million due to investment in office equipment.
- (4) Other administrative expenses increased by Baht 1.58 million, mainly in public relation expense.

Finance costs

For the three-month period ended 30 June 2024, the Company has finance costs of Baht 1.26 million, accounting for 0.87% of service income. It's increased by Baht 0.02 million YoY due to the more interest expenses realized from the lease agreement.

Net profit and Net profit margin

For the three-month period ended 30 June 2024, the Company had a net profit of Baht 25.93 million, representing a net profit margin of 17.82%, compared to a net profit of Baht 17.28 million for the same period in 2023, representing a net profit margin of 12.17%. This is mainly due to the improved revenue and profitability of the PS and CIPS businesses.