JMART
MD&A 2024

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Subject Management Discussion and Analysis for 2024 Performance

Attention President

The Stock Exchange of Thailand

According to the resolution of the Board of Directors of Jaymart Group Holdings Public Company Limited (the "Company") at Meeting No. 1/2025, held on February 11, 2025, the Board approved and certified the financial statements and operating results of the Company and its subsidiaries for the fiscal year 2024. These financial statements have been audited by the Company's external auditor. The key events and summary of the operating results are as follows:

1. Overview

Economic and Industry Overview

In 2024, the overall economic landscape remained uncertain, with moderate and unclear growth trends. While the political situation became more stable, many of the government's economic stimulus measures were only implemented in the second half of the year. According to projections from the National Economic and Social Development Council (NESDC), Thailand's economy is expected to grow by approximately 2.6% year-over-year, which remains below the regional economic growth average.

One of the key macroeconomic challenges facing Thailand is high household debt levels, which, while creating opportunities for debt collection and distressed asset management businesses, also constrain consumer spending power. In response, the Company has adjusted its strategies to stimulate consumer demand while maintaining a prudent approach to risk management. One such initiative is the Locked Phone loan program, which provides credit to customers with strong repayment capacity while incorporating technology-driven repayment discipline through the Locked Phone mechanism. This initiative enhances financial accessibility for consumers in need of mobile devices, ensuring responsible lending practices.

Looking ahead to 2025, the Company remains committed to developing technology-driven business models, further integrating innovative solutions to enhance operational efficiency and consumer accessibility.

Jaymart Group

For the fiscal year 2024, **the Company and its subsidiaries reported a net profit attributable to shareholders of THB 1,140.8 million,** based on the consolidated financial statements. Increased by 355% from the previous year, indicating that the company's performance has returned to a growth trajectory.

Jaymart Group continues to operate under a collaborative business model with its subsidiaries and affiliates, focusing on four core business segments that integrate retail and financial services with technology. Guided by the philosophy of ***"The Power of Synergy"***, this strategic approach aims to develop a comprehensive business ecosystem that enhances shareholder value.

The following outlines the progress and performance direction of each core business segment:

1) Distribution of mobile phones and accessories

The mobile phone and accessories distribution business, operated by Jaymart Mobile Co., Ltd. ("Jaymart Mobile"), had a total of 306 branches nationwide in 2024. Sales declined by 1% year-over-year, reaching THB 8,605 million, while net profit stood at THB 90 million. The decline was primarily attributed to intensified market competition and weak consumer purchasing power amid an economic slowdown.

Despite these challenges, the Company maintains a positive outlook for 2025, expecting higher sales growth compared to 2024. This optimism is driven by the technological shift from smartphones to AI-powered smartphones, leading to increased adoption of artificial intelligence (AI) capabilities in mobile devices.

Additionally, the Company is leveraging synergies within the Group to drive sales through the Locked Phone financing program, including Samsung Finance+, provided by KBJ Capital Co., Ltd., and SG Finance+, offered by SG Capital Public Company Limited. Furthermore, government-led stimulus measures aimed at boosting consumer spending are expected to contribute to higher sales in 2025.

2) Debt Collection and Non-Performing Loan Management Business

The Non-Performing Loan management business, operated under JMT Network Services Public Company Limited ("JMT"), continues to deliver solid financial performance. In 2024, the Company reported a net profit attributable to shareholders of THB 1,615.2 million, representing a 19.7% decline from the previous year. This decrease was primarily due to higher Expected Credit Loss (ECL) provisions, resulting from lower-than-expected debt collections, particularly in the first half of 2024.

However, JMT's management adjusted its business strategy, implementing more proactive debt collection measures, leading to a significant reduction in ECL provisions from Q3/2024 onward and an improvement in collection efficiency. Looking ahead to 2025, JMT expects ECL levels to remain manageable, following the same positive trend observed in Q3 and Q4 of 2024.

3) Property Development and Retail Space Rental Management Business

The real estate development business, operated under JAS Asset Public Company Limited ("JAS"), reported a net profit attributable to shareholders of THB 165.6 million in 2024, reflecting a 14% decline from the previous year. This decrease was primarily due to lower fair value adjustments, as the Company did not launch any large-scale community mall projects comparable to those introduced in 2023.

In 2024, JAS successfully opened two new community malls—JAS Green Village Prawet and JAS Green Village

Ramkhamhaeng—bringing its total portfolio to eight locations across Bangkok and its metropolitan area. The Company focused on cash flow preservation and renovations of existing malls, which yielded significant improvements, particularly at JAS Green Village Amata, where long-term anchor tenants helped boost occupancy rates. Additionally, in late 2024, The JAS Ramintra welcomed Big C Food Place, which received a strong response from the surrounding community.

Looking ahead to 2025, JAS will focus on incremental revenue growth, emphasizing higher profitability from existing high-potential properties, while reducing large-scale capital investments.

4) Insurance Business

Under JMT's subsidiary, the insurance business, operated by Jaymart Insurance Public Company Limited, reported revenue of THB 227.2 million in 2024, reflecting a decline of THB 89.1 million or 28.2% compared to the previous year. This decrease was primarily due to the Company's strategic risk assessment in underwriting, focusing on maintaining an optimal Loss Ratio.

5) Group companies that Jaymart has invested

#	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 December 31, 2024, Suki Teenoi operated a total of 78 branches, along with one Teenoi BBQ (grilled buffet) branch and one Teenoi Express (premium buffet) branch. In 2024, the brand expanded its footprint by opening 23 new branches, including locations in Chonburi, Rayong, Suphanburi, Mahasarakam, Udon Thani, and Chiang Mai, which are high-traffic areas with strong customer demand. With a customer-centric approach, Suki Teenoi continues to cater to diners seeking affordable and high-value sukiyaki and shabu options, enabling the brand to effectively reach and engage its target market. In 2024, the Company recognized a profit share of THB 350.7 million from its 30% stake in Suki Teenoi, based on a total net profit of THB 1,169 million (excluding purchase price allocation (PPA) adjustments). Additionally, the Company collaborated with the Jaymart Group on joint marketing initiatives, such as allowing customers to redeem loyalty points for buffet dining discounts. Furthermore, there are ongoing plans for strategic collaboration in expanding Teenoi BBQ outlets within JAS Asset’s shopping centers.

#	Company	%	Development
			The first branch under this partnership officially opened at JAS Green Village Kubon on January 28, 2025.
2	Buriram Sugar Public Company Limited (“BRR”) Type of Investments: Fair Value Through the Income Statement	9.48	The Company invested in BRR based on its strategic vision for mutual economic growth opportunities. In 2024, the sugar industry continued to demonstrate strong and steady growth, both in terms of pricing and production volume. The Company remains confident in BRR's performance and is committed to sustaining its business collaboration with BRR in the long term.
3	PRTR Group Public Company Limited (“PRTR”) Type of Investment : Fair Value Through Equity	15.0	The Company has collaborated with PRTR on several Human Resource Management (HRM) and Human Resource Development (HRD) initiatives aimed at developing high-potential employees. These initiatives include sales training programs for sales personnel and the use of PRTR’s Blacksmith platform for executive and board member training. This partnership ensures continuous knowledge enhancement through expert-led training sessions tailored to specific areas of expertise.
4	Super Turtle Public Company Limited (“TURTLE”) Type of Investments: Fair Value Through Equity	9.82	The Company has partnered with TURTLE to expand its presence at BTS Skytrain stations, with 17 branches already in operation. However, sales volume may not be significantly high.
5	SG Capital Public Company Limited (“SGC”) Type of Investments: Fair Value Through the Income Statement	2.23	In 2024, the SGC management team refined its business strategy by enhancing its loan disbursement processes with more advanced technology. This was implemented under the SG Finance+ program, a Locked Phone loan initiative, which provides financing to creditworthy customers while promoting repayment discipline through the Locked Phone system. This approach resulted in strong loan portfolio growth while maintaining a low level of non-performing loans (NPLs).

2. Operating Performance and Profitability

The overall performance in 2024 reflects a clear recovery in the Jaymart Group's financial results, with core businesses returning to profitability. The detailed performance breakdown of the Group is as follows:

Summary of Financial Performance (Condensed)

Consolidated financial statements	2023		2024		Change	
	MB.	%	MB.	%	MB.	%
Revenue from contracts with customers	8,872.1	64.6%	8,922.6	64.3%	50.5	0.6%
Interest income and Dividend income	3,272.5	23.8%	3,657.5	26.4%	385.0	11.8%
Gains on loans receivable from purchase of accounts receivable	914.4	6.7%	693.7	5.0%	(220.7)	-24.1%
Rental income	368.2	2.7%	377.7	2.7%	9.5	2.6%
Insurance income	316.3	2.3%	227.2	1.6%	(89.1)	-28.2%
Total income from sales and services	**13,743.5**	**100.0%**	**13,878.8**	**100.0%**	**135.3**	**1.0%**
Cost of sales	7,528.3	54.8%	7,489.7	54.0%	(38.6)	-0.5%
Service cost	1,250.3	9.1%	1,557.5	11.2%	307.2	24.6%
Rental cost	112.0	0.8%	140.0	1.0%	28.0	25.0%
Insurance expenses	247.3	1.8%	204.3	1.5%	(43.0)	-17.4%
Total cost of sales and services	**9,138.0**	**66.5%**	**9,391.5**	**67.7%**	**253.5**	**2.8%**
Gross profit	**4,605.5**	**33.5%**	**4,487.3**	**32.3%**	**(118.2)**	**-2.6%**
Promotional income	335.9	2.4%	230.4	1.7%	(105.5)	-31.4%
Management income	84.4	0.6%	86.3	0.6%	1.9	2.3%
Other income	176.8	1.3%	161.3	1.2%	(15.5)	-8.8%
Gain on FV adjustment of investment properties	231.8	1.7%	238.6	1.7%	6.8	2.9%
Unrealized gain (loss) on other financial assets	(847.9)	-6.2%	(39.3)	-0.3%	808.6	-95.4%
Gain on investment disposal	62.4	0.5%	67.6	0.5%	5.2	8.3%
Profit before expenses	**4,648.9**	**33.8%**	**5,232.2**	**37.7%**	**583.3**	**12.5%**
Selling and distribution expenses	1,158.9	8.4%	1,210.5	8.7%	51.6	4.5%
Administrative expenses	1,571.8	11.4%	1,861.4	13.4%	289.6	18.4%
Selling and Administrative expenses	**2,730.7**	**19.9%**	**3,071.9**	**22.1%**	**341.2**	**12.5%**
Operating profit	**1,919.0**	**14.0%**	**2,160.4**	**15.6%**	**241.4**	**12.6%**

Consolidated financial statements	2023		2024		Change	
	MB.	%	MB.	%	MB.	%
Financial income	245.1	1.8%	347.8	2.5%	102.7	41.9%
Financial cost	(1,069.1)	-7.8%	(1,121.1)	-8.1%	52.0	x4.9%
Profit share from investments in joint ventures	521.4	3.8%	463.6	3.3%	(57.8)	-11.1%
Profit (loss) share from investments in associates	(631.6)	-4.6%	306.8	2.2%	938.4	148.6%
Income tax revenue (expense)	(385.7)	-2.8%	(191.7)	-1.4%	(194.0)	-50.3%
Net Profit for the year	**599.2**	**4.4%**	**1,965.8**	**14.2%**	**1,366.6**	**228.1%**
Net Profit attributable to shareholders	**(447.0)**	**-3.3%**	**1,140.8**	**8.2%**	**1,587.8**	**355.2%**

Revenue Analysis

In 2024, the Company reported total revenue of THB 13,878.8 million, representing an increase of THB 135.3 million, or 10% year-over-year. The key factors contributing to this growth are as follows:

1. Revenue from contracts with customers amounted to THB 8,922.6 million, reflecting a slight increase of 0.6% from the previous year.
2. Interest Income from Purchased Debt and Gains from Loan Receivables—the core revenue from the distressed asset management business—totaled THB 4,351.2 million, marking an increase of THB 164.3 million, or 3.9%, driven by improved debt collection performance.
3. Rental Income reached THB 377.7 million, an increase of THB 9.5 million, or 2.6%. This growth was primarily attributed to the expansion of the Company's community mall portfolio, with the openings of JAS Green Village Bang Bua Thong in Q3/2023 and JAS Green Village Prawet in Q2/2024.
4. Insurance income amounted to THB 227.2 million, reflecting a decline of THB 89.1 million, or 28.2% year-over-year. This decrease resulted from the Company's strategic risk assessment, which focused on managing insurance exposure to maintain an optimal Loss Ratio.

Gross profit

The Company reported a gross profit of THB 4,487.3 million for 2024, based on the consolidated financial statements, representing a slight decrease of THB 118.2 million, or 2.6% year-over-year.

Selling and Administrative Expenses

The Company recorded selling and administrative expenses of THB 3,071.9 million for 2024, based on the consolidated financial statements, representing an increase of THB 341.2 million, or 12.5% year-over-year. This increase was primarily driven by higher employee expenses in subsidiaries due to business expansion, increased marketing expenses, depreciation costs from branch expansions, and expected credit loss (ECL) provisions from subsidiaries engaged in distressed debt management.

Profit share from investments in joint ventures

The Company recorded a share of profit from investments in joint ventures of THB 463.6 million, reflecting a decrease of THB 57.8 million, or 11.1% year-over-year. This decline

was primarily attributed to the performance of JK Asset Management Co., Ltd., which was impacted by economic conditions leading to lower debt collection rates.

Profit (loss) share from investments in associates

The Company recorded a share of profit from investments in associates of THB 306.8 million, representing an increase of THB 938.4 million, or 148.6% year-over-year. This significant growth was primarily due to the absence of loss recognition in Q1 and Q2 of 2023, which had previously included share of losses from Singer Thailand Public Company Limited resulting from Expected Credit Loss (ECL) provisions recorded by SG Capital Public Company Limited.

Net Profit for the year

The Company reported a net profit of THB 1,965.8 million for 2024, reflecting an increase of THB 1,366.6 million, or 228.1% year-over-year. This significant growth was primarily driven by the normalized profitability of the Company and its subsidiaries in the current year, as well as the absence of loss recognition from investments in Singer Thailand Public Company Limited, which had impacted the previous year's results.

Net Profit attributable to shareholders

The Company reported a net profit attributable to shareholders of THB 1,140.8 million for 2024, representing an increase of THB 1,587.8 million, or 355.2% year-over-year. This significant growth was primarily driven by the normalized profitability of the Company and its subsidiaries, as well as the absence of loss recognition from investments in Singer Thailand Public Company Limited, which had impacted the previous year's results.

Key Financial Ratios

Financial Ratio	2023	2024
Current ratio (time)	0.94	0.60
Gross profit margin (%)	33.51%	32.33%
Operating profit margin (%)	13.96%	15.57%
Net profit (%)	4.27%	13.13%
Return on Equity (ROE) (%)	1.89%	5.88%
Return on Assets (ROA) (%)	1.02%	3.22%
Debt to equity (D/E) (time)	0.90	0.76
Interest Bearing Debt to Equity (IBD/E) (time)	0.81	0.69

3. Asset Management Capability

Assets

As of December 31, 2024, the Company reported total assets of THB 59,953.4 million, as presented in the consolidated financial statements, reflecting a decrease of THB 2,286.3 million, or 3.7% compared to the end of 2023. This decline was primarily due to a reduction in cash and financial assets, which were utilized for the repayment of debentures and loans from financial institutions.

Key Asset Components

1. Loans receivable from purchase of accounts receivable - net of current portion amounted to THB 20,331.1 million, representing 33.9% of total assets, a decrease of THB 1,483.2 million, or 6.8% year-over-year. This decline was primarily due to loan repayments received during the year and the provision for expected credit losses.

2. Investments in Joint Ventures totaled THB 6,086.9 million, accounting for 10.2% of total assets, a decrease of THB 131.4 million, or 2.1% year-over-year. This reduction was primarily due to the equity method recognition of profit contributions from JK Asset Management Co., Ltd.

3. Investments in Associates amounted to THB 5,940.9 million, representing 9.9% of total assets, reflecting an increase of THB 265.2 million, or 4.7% year-over-year. This growth was driven by the equity method recognition of profit contributions from BNN Restaurant Group Co., Ltd.

4. Investment Properties stood at THB 5,891.7 million, accounting for 9.8% of total assets, marking an increase of THB 476.4 million, or 8.8% year-over-year. The increase was primarily due to the addition of the Company's new community mall projects, JAS Green Village Prawet and JAS Green Village Ramkhamhaeng.

Liabilities and Shareholders' Equity

As of December 31, 2024, the Company reported total liabilities of THB 25,838.7 million, reflecting a decrease of THB 3,673.1 million, or 12.4% year-over-year. This decline was primarily due to the repayment of debentures by the Company and its subsidiaries, totaling THB 5,618 million during the year.

Meanwhile, total shareholders' equity stood at THB 34,114.7 million, an increase of THB 1,386.9 million, or 4.2% year-over-year, primarily driven by higher net profit.

4. Liquidity and Capital Adequacy

Debt Servicing Capability and Compliance with Loan Covenants

The Company has sufficient cash flow sources to support its operations and debt obligations, including the redemption of debentures maturing in 2025. A comprehensive financial forecast for debt repayment has been prepared, incorporating

refinancing through new debenture issuances, loan facilities from financial institutions, dividends from associates and subsidiaries, other financial assets, and equity investments in high-demand markets.

The Company maintain a strong financial position and have consistently complied with financial covenants outlined in its debenture agreements.

Liquidity Analysis and Capital Adequacy

In 2024, the Company reported a net decrease in cash and cash equivalents of THB 624.3 million. The breakdown of cash flows by activity is as follows:

Unit : Million Baht	**2023**	**2024**
Cash flows from (used in) operating activities	(1,113.2)	3,327.3
Cash flows from (used in) investing activities	(5,223.8)	1,139.7
Cash flows from (used in) financing activities	4,369.7	(5,091.4)
Net increase (decrease) in cash and cash equivalents	**(1,967.3)**	**(624.3)**

Cash Flow from Operating Activities: THB 3,327.3 million, an increase from the previous year. This growth was primarily due to a significant reduction in purchased distressed debt for management compared to the same period last year.

Cash Flow from Investing Activities: THB 1,139.7 million, an increase from the previous year. This was mainly driven by loan repayments received from JK Asset Management Co., Ltd., along with higher dividend income compared to 2023.

Cash Flow Used in Financing Activities: THB 5,091.4 million, primarily for the repayment of debentures.

5. Debt Obligations and Off-Balance Sheet Commitments

Commitments Related to Land Leases, Office Space Leases, Service Contracts, and Others: As of December 31, 2024, the Group had future payment obligations totaling THB 47 million.

Software Contract Commitments: As of December 31, 2024, the Group had future payment obligations of THB 17 million related to software agreements.

Capital Expenditure Commitments: As of December 31, 2024, the Group had capital expenditure commitments totaling THB 89 million, primarily related to design and construction contracts for ongoing projects, as well as system installation and development agreements.

6. Factors Impacting Future Performance (Forward Looking)

In 2024, the Company demonstrated a clear recovery in its financial performance. However, 2025 is expected to be a challenging year, with several external factors potentially impacting future operations. These include macroeconomic conditions affecting consumer purchasing power, high household debt levels, and political changes both domestically and globally, which may influence the Group's business policies.

To ensure sustainable growth, the Company has established the following strategic priorities:

1. Leveraging Synergies Within the Group – The Company will strengthen collaborative efforts among its subsidiaries to maintain a strong customer base, particularly through the J Point loyalty program, which aims to drive repeat purchases and enhance customer engagement by offering attractive promotions across the Group. Additionally, the Company is expanding into social commerce, increasing its presence on TikTok, YouTube, and various shopping platforms. As part of this initiative, the Company has partnered with Vega Creator Co., Ltd. to develop a Multi-Channel Network (MCN) to enhance its reach and visibility on social media.
2. Technology-Driven Lending – The Locked Phone financing program continues to present growth opportunities, providing a financial platform that enhances consumers' ability to purchase mobile devices while ensuring effective risk management through advanced credit assessment technologies.
3. Maintaining Liquidity and Cash Flow Management – The Company remains focused on preserving liquidity to ensure the timely repayment of debts and debenture obligations while exercising prudence in future investments.

7. Key Events and Developments in Sustainability Initiatives

Sustainable Development

Jaymart Group Holdings Public Company Limited recognizes the importance of sustainable development for all stakeholders, encompassing Environment, Social, and Governance (ESG) dimensions. In 2024, the Company demonstrated significant progress in ESG performance, as reflected in awards and continuous improvements in ESG ratings.

Currently, the Company holds an "A" rating in the SET ESG Rating, assessed by the Stock Exchange of Thailand, and has achieved a 4-star or "Very Good" rating in the Corporate Governance Report (CGR). These achievements highlight the Company's ongoing commitment to enhancing its ESG initiatives and represent notable improvements over its 2023 performance.

Environment

1. Greenhouse Gas Reduction and Sustainability Recognition

   Jaymart has continuously implemented environmental management and natural resource conservation initiatives. The Company received a Certificate of Recognition from the Low Emission Support Scheme (LESS) by the Thailand Greenhouse Gas Management Organization (TGO), acknowledging its tangible achievements in reducing environmental impact. Through these initiatives, the Company successfully reduced greenhouse gas emissions by

146.519 tCO_2eq, demonstrating its commitment to climate responsibility. Additionally, Jaymart participated in the SET Carbon Sandbox Project, which aims to streamline cost and time efficiency in greenhouse gas reporting. This system serves as a centralized, science-based database for emissions management across the capital market value chain, ensuring reliable and transparent climate action reporting.

2. Renewable Energy Adoption

   The Company remains committed to expanding renewable energy usage, starting with the installation of Solar Rooftop panels at its headquarters. The installation was carried out by JGS Synergy Power Co., Ltd., a Jaymart Group subsidiary specializing in renewable energy solutions. In 2024, the Solar Rooftop system generated 242,700 kWh, accounting for 11.91% of the Company's total electricity consumption. This initiative also contributed to a greenhouse gas reduction of 121.33 tCO_2eq, equivalent to the carbon absorption capacity of 8,089 trees per year.

3. Sustainable Waste Management and Climate Action

   Jaymart is dedicated to minimizing environmental impact and addressing climate change through sustainable waste management practices. The Company has launched various initiatives, including its participation in the "Care the Whale" network in collaboration with the Stock Exchange of Thailand, promoting corporate waste reduction efforts. Internally, the Company encourages employees to minimize waste generation at the source, engage in proper waste sorting, and ensure responsible disposal. Additionally, Jaymart actively supports recycling and upcycling initiatives to maximize waste utilization. In 2024, the Company successfully reduced overall waste by 55.99% compared to 2023. Furthermore, 20.72% of total waste generated in 2024 was recovered and repurposed through recycling programs.

Social

1. The Company is committed to effective human resource management, ensuring fair labor practices and long-term employee retention to mitigate workforce shortages. Additionally, the Company continuously enhances its human resource systems to strengthen employee capabilities, while strictly adhering to ethical principles and preventing any form of human rights violations.
2. The Company provides comprehensive skills development programs to foster career advancement and personal growth. This includes identifying skill gaps, upskilling existing competencies, and reskilling employees with new expertise to align with the Company's business strategies and vision. In 2024, employees participated in various training programs, including in-house training, external public training, and e-learning courses, with an average of 6 training hours per person per year.
3. The Company is dedicated to conducting business in harmony with communities, society, and the environment, ensuring sustainability and social responsibility. It actively fosters positive relationships with local communities, and in 2024, there were no disputes between Jaymart and any communities or social groups. Furthermore, the Company remains fully compliant with human rights regulations and environmental laws, emphasizing strict adherence to all relevant legal frameworks.

Governance

1. The Company has been certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC), reaffirming its commitment to sustainable business development. This certification reflects the Company's dedication to good corporate governance, ensuring ethical business practices and strong regulatory compliance.
2. Jaymart remains steadfast in upholding corporate governance principles. In 2024, the Company received a “Very Good” rating in the Corporate Governance Report (CGR) of Thai Listed Companies, conducted by the Thai Institute of Directors (IOD), further reinforcing its commitment to governance excellence.

Please be informed accordingly.

(Ms. Ladda Waruntarakun)
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