

No. For. 021/2023

August 14, 2024

Subject: Management discussion and analysis

To: The President of the Stock Exchange of Thailand

FNS Holdings Public Company Limited would like to report its consolidated financial results for the three-month period ended 30 June 2024. The consolidated statements of profit or loss and other comprehensive income showed a net loss of Baht 448.33 million or a net loss of Baht 0.90 per share, a decline in income of Baht 495.57 million from a net profit of Baht 47.24 million or a net profit Baht 0.14 per share recorded in Q2 2023.

The significant increase in income and loss compared to the same period of the previous year as a result of in August 2023, the Company purchased an additional interest in M.K Real Estate Development Public Company Limited (MK), whose main business is property development. As a result, the status of MK was changed from an associate to a subsidiary. The purchase also caused the Company to have both a direct and indirect shareholding in the warehouse and factory development business for rent through BFTZ Wangnoi Ltd. This is also reflected in the consolidated financial statements. As a result, the company will begin to recognize income and losses from the operations of MK and its subsidiaries in the consolidated financial statements from the 3rd quarter of 2023 onwards.

In April 2024, the Company purchased a 100% interest in Rx Wellness Company Limited (Rx), whose main business is providing health and wellness services. As a result, the status of Rx is a subsidiary in the consolidated financial statements.

Total revenues in Q2 2024 were Baht 502.32 million, an increase in total revenues of Baht 412.55 million or 459.56% comparing to Baht 89.77 million recorded in Q2 2023. This increase in Revenue mainly came from consolidation of the results of MK Real Estate Development Pcl ("MK") into the consolidated statements of FNS. Specifically, the main contributions to revenue from MK were the sale and management of real estate amounting to Baht 123.2 million, the contribution from the warehouse and factory development business for rent amounting to Baht 211.6 million and the revenue from health and wellness business amounting to Baht 49.48 million from other income an increase amount 71.97 million, Revenue from the investment of FNS amounted to Baht 44.50 million, a decrease of Baht 43.73 million from the same period last year.

Total expenses in Q2 2024 were Baht 608.5 million, compared to Baht 37.98 million recorded in Q2 2023, representing an increase of Baht 570.52 million or 1,755.68 %. The significant change in expenses again reflected the impact of the consolidation of subsidiaries MK and Rx Wellness. More specifically, the major changes in expenses were:

- 1) The expenses from the sale and management of real estate amounted to Baht 100.99 million (zero in the previous period).
- 2) The combined cost of the warehouse and factory development business for rent amounted to Baht 88.22million (zero in the previous period)
- 3) The cost of the health and wellness was Baht 76.64 million (zero in the previous period)
- 4) The increase of Baht 206.41 million or 812% in the cost of servicing and administrative expenses, related to real estate projects the warehouse development projects and the health and wellness services business.

In addition, finance costs for Q2 2024 totaled Baht 313.68 million, an increase of Baht 293.85 million from Q2 2023 due to an increase in loan interest expenses. The Company and its subsidiaries also recognized a share of profit from investments in associates and joint venture of Baht 8.98 million, compared with a share of gain of Baht 15.29 million recorded in Q2 2023, representing a decrease of Baht 6.31 million or 41.27%.

For the six-month period ended 30 June 2024, the consolidated statements of profit or loss and other comprehensive income showed a net loss of Baht 487.96 million or a net loss of Baht 0.97 per share, a decline in income of Baht 525.80 million or 1,389.53% from a net profit of Baht 37.84 million or a net profit Baht 0.11 per share recorded in 1H 2023.

Total revenues in 1H 2024 were Baht 1,050.19 million, compared to Baht 101.04 million recorded in 1H 2023, an increase in total revenues of Baht 949.15 million or 939.37%. Revenue from the investment totaled Baht 121.09 million, an increase of Baht 20.92 million, which came from interest income and gain on investment. The main source of additional income was from the consolidation of MK, specifically from the sale of and management of real estate amounting Baht 266.57 million, revenue from the warehouse and factory development business for rent amounting to Baht 411.17 million and revenue from the health and wellness business amounting to Baht 111.03 million. Other income amounted to Baht 139.44 million

Total expenses in 1H 2024 were Baht 1,245.63 million, compared to Baht 53.20 million recorded in 1H 2023, representing an increase of Baht 1,192.43 million or 2,241.41%. The major changes again reflected the impact of consolidation of subsidiaries, and were as follows:

- 1) The expenses from the sale and management of real estate were Baht 217.15 million (zero in the previous period).
- 2) The combined cost of the warehouse and factory development business for rent amounted to Baht 172.5 million (zero in the previous period).

- 3) The cost of the health and wellness was Baht 153.19 million (zero in the previous period).
- 4) Servicing and administrative expenses amounted to Baht 514.01 million, again reflecting the impact consolidation. These expenses related primarily to the real estate development, warehouse development and the health and wellness services business.

In addition, finance costs for 1H 2024 totaled Baht 515.46 million, an increase of Baht 488.61 million from 1H 2023 due to an increase in loan interest expenses. The Company and its subsidiaries also recognized a share of gain from investments in associates and joint venture of Baht 56.82 million, compared with a share of gain of Baht 16.86 million recorded in 1H 2023, representing an increase of Baht 39.96 million or 237.01%.

Please be informed accordingly.

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)
Managing Director