

No. For. 15/2024

May 15, 2024

Subject: Management discussion and analysis

To: The President of the Stock Exchange of Thailand

FNS Holdings Public Company Limited ("FNS") would like to report its consolidated financial results for the three-month period ended 31 March 2024. The consolidated statements of profit or loss and other comprehensive income showed a net loss for the company of Baht 136.5 million or a net loss of Baht 0.27 per share, compared with a net loss of Baht 9.4 million or a net loss of Baht 0.03 per share recorded in Q1 2023, representing an increase in loss of Baht 127.1 million over Q1 2023. Note that the net loss in Q1 2024 does not reflect the significant upward revaluation of FNS' equity shareholding in NEO Corporate Plc ("NEO") in Q1 2024. NEO successfully completed its IPO on 2 April 2024 at an offering price of Bt39 per share. FNS, both directly and through its wholly owned subsidiary, Finansa Fund Management Ltd, held a combined 28,371,600 shares of NEO as at 31 March 2024. These shares were revalued at Bt39 per share as at 31 March 2024, resulting in a gain of Bt 439 mn being recognised directly in Shareholder Equity as Other Comprehensive Income. Going forward, the position in NEO will be marked to market and both realised and unrealised gains and losses will be recognised directly through Other Comprehensive Income.

Total revenues in Q1 2024 were Baht 548.6 million, an increase in total revenues of Baht 533.7 million or 3,576.8% comparing to Baht 14.9 million recorded in Q1 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 and specifically the contribution of revenue from the property development projects and warehouse for rent, and the health and wellness business within MK. There was no consolidation of MK in Q1 2023.

Total expenses in Q1 2024 were Baht 646.8 million, compared to Baht 18.9 million recorded in Q1 2023, representing an increase of Baht 627.9 million or 3,327.8%. Again, the comparison is impacted by the consolidation of MK into FNS' consolidated financial statements. The major changes in expenses came from 1) the inclusion of Baht 110.2 million from cost of sale of real estate 2) the inclusion of Baht 73.9 million from cost of rental and rendering of services 3) the inclusion of Baht 9.0 million from cost of management of rental estate 4) the inclusion of Baht 92.7 million from cost of health and wellness 5) the inclusion of Baht 34.2 from distribution costs and 6) the increase of Baht 232.1 million in cost of service and administrative expenses .

In addition, finance costs for Q1 2024 totaled Baht 192.6 million, an increase of Baht 185.6 million or 2,644.7% from Q1 2023, again due primarily to the consolidation of MK. The Company and its subsidiaries also recognized a share of gain from investments in associates and joint venture of Baht 47.8 million, compared with a share of gain of Baht 1.5 million recorded in Q1 2023, based on the operating results of the company's associates and the company's joint venture.

Please be informed accordingly.

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)  
Managing Director