

No. For. 22/2024

November 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 September 2024. The consolidated statements of profit or loss and other comprehensive income showed a net loss of Baht 238.2 million or a net loss of Baht 0.48 per share, compared with a net gain of Baht 994.9 million or a net gain of 2.41 per share in the previous year, representing a decline of Baht 1,233.1million from Q3 2023.

In comparing the Q3 financial performance year on year, it should be noted that 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.

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 Q3 2024 were Baht 658.5 million, a decrease in total revenues of Baht 1,331.7 million or 66.9% comparing to Baht 1,990.2 million recorded in Q3 2023. This decrease in revenue mainly came from a gain on disposal of investment in subsidiary of Baht 25.6 million, a gain on the valuation of investment associate before business acquisition of Baht 360.3 million and a gain on bargain purchase of Baht 861.9 million, all of which were recorded as revenue in Q3 2023.

Total expenses in Q3 2024 were Baht 629.1 million, compared to Baht 973.7 million recorded in Q3 2023, representing a decrease of Baht 344.6 million or 35.4%. The major changes in expenses came from the drop of Baht 361.5 million in the cost of sales of real estate.

In addition, finance costs for Q3 2023 totaled Baht 271.5 million, an increase of Baht 92.8 million or 51.9% from Q3 2023 due to an increase in loan amounts and interest rates. The

Company and its subsidiaries also recognized a share of gain from investments in associates and joint venture of Baht 2.8 million, compared with a share of loss of Baht 16.1 million recorded in Q3 2023, representing an increase share of gain of Baht 18.9 million.

For the nine-month period ended 30 September 2024, the consolidated statements of profit or loss and other comprehensive income showed a net loss of Baht 726.1 million or a net loss of Baht 1.45 per share, a decline in income of Baht 1,758.9 million from a net profit of Baht 1,032.8 million or a net profit Baht 2.50 per share recorded in 9M 2023. The decline in Net Income reflected the impacts of (i) a gain on disposal of an investment in a subsidiary, a gain on the valuation of investment associate before business acquisition and a gain on bargain purchase, all of which were recorded in 9M 2023 and (ii) losses incurred in at Rx Wellness, which was acquired in April 2024 and which is still at an early stage of development.

Total revenues in 9M 2024 were Baht 1,708.5 million, compared to Baht 2,091.2 million recorded in 9M 2023, a decrease in total revenues of Baht 382.7 million or 18.3%. The main sources of the decrease in income was a gain on disposal of investment in subsidiary of Baht 25.6 million, a gain on the valuation of an investment associate before business acquisition of Baht 360.3 million and a gain on bargain purchase of Baht 861.9 million and revenue from rental and rendering of service increase of Baht 400.7, all of which were recorded as income in 9M 2023. The period 9 M 2024 saw revenue from the health and wellness business amounting to Baht 160.6 million, an increase of Baht 135.9 million from 9M 2023 and other income amounting to Baht 324.1 million from the warehouse and factory development business for rent.

Total expenses in 9M 2024 were Baht 1,874.5 million, compared to Baht 1,026.9 million recorded in 9M 2023, representing an increase of Baht 847.6 million or 82.4%. The major changes again reflected the impact of consolidation of subsidiaries, and were as follows:

- 1) The increase in expenses from the Cost of health and wellness of Baht 197.9 million or 447.7%.
- 2) The increase in expenses from management and services of Baht 619.1 million or 239%. which came from the property development business and the health and wellness services business.

In addition, finance costs for 9M 2024 totaled Baht 786.9 million, an increase of Baht 581.5 million from 9M 2023, in accordance with the increase of loan amounts and interest rates.

Please be informed accordingly.

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)
Managing Director