

Ref: FASET 03/2021

August 11<sup>th</sup>, 2021

Subject: Report the operating result for the second quarter and six months ended June 30, 2021  
To: President of the Stock Exchange of Thailand

XSpring Capital Public Company Limited (“The Company”) would like to report the consolidated operating result that has been reviewed by our auditor for the second quarter and six months ended June 30, 2021 as follows:

Consolidated operating result for the second quarter ended June 30<sup>th</sup>, 2021

The Company reported net profit for the second quarter 2021 of Baht 14.23 million comparing with the same period last year which had net profit of Baht 14.75 million, decreasing by Baht 0.52 million. The details were as follows:-

1. Total revenue was Baht 24.71 million, decreased by Baht 9.86 million or 29% mainly from:
  - Fee and service income of Baht 5.71 million, decreasing by Baht 11.87 million from the ICO portal service fee of XSpring Digital Co., Ltd., a subsidiary, in this quarter
  - Gain on investment of Baht 15.69 million, increasing by Baht 14.28 million, mainly from the higher gain on investment in debt securities. While in the second quarter last year, the Company recognized loss on investment in listed equity securities due to the market fluctuation during the first Covid-19 spread in the country
2. Total expenses was Baht 54.45 million, increasing by Baht 13.91 million or 34% mainly from:
  - Personal expenses increased by Baht 6.54 million from higher number of employees to support the group’s business expansion
  - Fee and service expenses decreased by Baht 11.78 million mainly from the consulting fee and fee expenses related to rendering ICO portal service of the Company’s subsidiary, XSpring Digital Co., Ltd.
  - The Company received debt repayment from the securities business receivable, while XSpring Asset Management Co., Ltd., a subsidiary, partially received additional debt collection from its investment in bill of exchange, resulting in the reversal of the allowance by Baht 10.19 million in this quarter, similar to last year’s

- Other expenses in this quarter went up by Baht 19.15 million mainly from the advisory fee which increased by Baht 17.97 million in relation to the Company’s capital increase and the submission for additional Digital asset licenses
3. The Company recognized share of profit from associates of Baht 46.93 million, increasing by Baht 22.87 million from the same quarter last year. The share of profit of Baht 53.12 million was from Krungthai Zmico Securities Co., Ltd. (“Krungthai Zmico”) which the Company has 49.71% shareholding. Krungthai Zmico’s total revenue grew by 30% mainly from the augment of brokerage fee from the continuous increase in the daily average market trading value (excluding proprietary trading) to Baht 91 billion in this quarter or 42% growth y-o-y. In addition, its margin interest income doubled from last year while cost to income ratio was lower, led to the significant improvement in the operating result of Krung Zmico which had net profit of Baht 106.85 million in the second quarter 2021.

The operating results of Krungthai Zmico for the second quarter of 2021 and 2020 were as follows:-

	Unit : Million Baht	
	2021	2020
Net securities business income	489.28	375.86
Operating expenses	(356.99)	(297.81)
Corporate income tax – income (expenses)	(25.44)	(14.88)
Net profit (loss)	106.85	63.17

Absolute Yoga Co., Ltd. which the Company has 30% shareholding has been continuously impacted by the Covid-19 pandemic, which caused the temporary closure of all studios in Thailand according to the Announcement of the Bangkok Metropolitan Administration from end of April to present. Likewise, studio business in Singapore has been temporarily closed since end of June from the resurgence of Covid-19 spread. However, studios in Singapore continued to deliver operating profit, which helped alleviate loss from Absolute Yoga’s domestic businesses. In the second quarter 2021, the Company recorded the share of loss from Absolute Yoga of Baht 4.44 million, yet slightly improved from the same quarter last year.

Scentimental (Thailand) Co., Ltd., the other associated company in which the Company has 26% shareholding, has been continuously affected by the temporary close of department stores and the lower purchasing power due to the economic slowdown. However, Scentimental has strategically expanded its online distribution channel as well as controlled fixed cost. In the second quarter of 2021, the Company had the share of loss from Scentimental of Baht 1.75 million.

Consolidated operating result for six months ended June 30<sup>th</sup>, 2021

The Company reported net profit of Baht 64.64 million which significant improved from the same period last year that had net profit of Baht 7.25 million. The details were as follows:-

1. Total revenue was Baht 49.80 million, decreased by Baht 2.23 million or 4% mainly from:
  - Fee and service income of Baht 6.63 million, decreasing by Baht 14.73 million mainly from lower ICO portal service fee of XSpring Digital Co., Ltd., the Company's subsidiary
  - The Company gained on investment of Baht 36.98 million, increasing by Baht 29.09 million from gain on listed equity securities of Baht 19.97 million and gain on investment in debt securities of Baht 9.13 million
2. The Company had total expenses of Baht 102.60 million, increased by Baht 18.02 million mainly from the higher personal expenses to support the group's business expansion and the advisory fee related to the Company's capital increase and the digital asset business expansion, offset by the decrease of fee and service expense related to ICO portal service of XSpring Digital Co., Ltd.
3. The Company recognized share of profit from associates of Baht 117.35 million, increasing by Baht 73.42 million or 167% from the same period last year from larger share of profit from Krungthai Zmico. In line with the 44% y-o-y growth of daily average equity market trading value (excluding proprietary trading), Krungthai Zmico had its brokerage fee income soared while maintained its equity market share at 2.55% and market rank slightly moved up to no. 15 among all 38 listed brokers this year. In addition, Krungthai Zmico could increase its fee and service income and interest income, decrease fixed operating expenses and financial cost, and have the share of profit from associated companies increased from last year. This higher share of profit from Krungthai Zmico helped offset the Company's total share of loss of Baht 4.57 million from Absolute Yoga and Scentimental (Thailand) which suffered from Covid-19 as described earlier.

Please kindly be informed accordingly.

Yours sincerely,

(Mr. Wanchak Buranasiri)  
Chief Executive Officer