

Ref: FASET 02/2022

February 25<sup>th</sup>, 2022

Subject: Report the operating result for the year ended December 31, 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 audited by our auditor for the year ended December 31, 2021 as follows:

The Company reported net profit for the year 2021 of Baht 88.12 million comparing with the last year which had net loss of Baht 16.62 million, increasing by Baht 104.74 million. The details were as follows:-

1. Total revenue was Baht 150.60 million, increased by Baht 78.68 million or 109% mainly from:
  - Fee and service income of Baht 67.63 million, increasing by Baht 37.65 million mainly from the rendering of ICO portal service fee of XSpring Digital Co., Ltd., a subsidiary.
  - Interest income of Baht 23.25 million, increasing by Baht 21.14 million mainly from interest income of bill of exchanges and business operation of subsidiaries.
  - Gain from investment of Baht 51.03 million, increasing by Baht 36.09 million mainly from gain on investment in private fund. While last year, the Company recognized loss from the investment in listed equity securities due to the market fluctuation from the spread of Covid-19 in Thailand.
2. Total expenses was Baht 265.35 million, increasing by Baht 119.35 million or 82% mainly from:
  - Personal expenses increased by Baht 15.95 million from the higher number of employees to support the group’s business expansion.
  - Fee and service expenses decreased by Baht 6.75 million mainly from the decrease of fee expenses related to rendering of ICO portal service of XSpring Digital Co., Ltd.
  - The reversal of expected credit loss by Baht 14.86 million, resulting in the reversal of the allowance by Baht 43.05 million in this year mainly from the Company received debt repayment from the securities business receivable. And XSpring Asset Management Co., Ltd., a subsidiary, received debt repayment from its investment in bill of exchange while XSpring Asset Management AMC Co., Ltd., a subsidiary, recorded allowance of expected credit loss from loans to customers.

- Other expenses in this year increased by Baht 77.83 million mainly from the growing of advisory fee of Baht 57.54 million in relation to Digital asset license acquisition and business expansion.
3. The Company recognized share of profit from associates of Baht 202.79 million, increasing by Baht 133.61 million from last year. The share of profit of Baht 204.29 million was from Krungthai Zmico Securities Co., Ltd. (“Krungthai Zmico”) which the Company has 49.71% shareholding. Krungthai Zmico’s total revenue grew by 40%, comparing to the same period last year, mainly from the augment of brokerage fee from the increase of daily average market trading value (excluding proprietary trading) to Baht 85 billion or 39% growth y-o-y. In addition, fees and service income coupled with margin interest income of Krungthai Zmico increased while cost to income ratio was lowered that led to the significant improvement in the operating result of Krungthai Zmico and had net profit of Baht 410.95 million in this year.

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

	Unit : Million Baht	
	2021	2020
Net securities business income	1,916.25	1,368.33
Operating expenses	(1,375.00)	(1,182.54)
Loss on impairment on investments	(24.92)	-
Operating profit	516.33	185.79
Corporate income tax – expenses	(105.38)	(21.38)
Net profit	410.95	164.41

Absolute Yoga Co., Ltd., in which the Company has 30% shareholding, has been continuously impacted by the pandemic of Covid-19, which caused temporary closure of all studios in Thailand from the middle of the year throughout the third quarter. During the operation, the Company has maintained social distancing practice according to the government measures, led to the decrease in the studio utilization rate and revenue in 2021. While studios in Singapore were less severely impacted and continued to have better performance. In addition, Absolute Yoga expanded its business to equipment rental and online class during the period of impermanent closure while consistently implemented cost control and other operating expenses, resulting to the operating profit for the year. Although there was an extraordinary expense from the impairment loss from fixed assets from branch closure, the Company’s share of profit from Absolute Yoga was Baht 0.58 million in this year.

Scentimental (Thailand) Co., Ltd., the other associated company in which the Company has 26% shareholding, had been continuously affected by the economic slowdown, lower purchasing power together with the limitation of sale distribution channel. Thus, Scentimental significantly adjusted its operational strategy as well as controlled their operating costs during the year of 2021. As a result, the Company's the share of loss from Scentimental was lowered to Baht 2.07 million, comparing to the same period last year.

Please kindly be informed accordingly.

Yours sincerely,

(Ms. Varangkana Artkarasatapon)

President