

Ref: FASET 05/2022

August 11, 2022

Subject: Report the operating result for the three-month and six-month periods ended June 30, 2022
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 three-month and six-month periods ended June 30, 2022 as follows:

Consolidated operating result for the three-month period ended June 30, 2022

The Company reported net loss for the three-month period ended June 30, 2022 of Baht 93.97 million, comparing with the same period last year which reported net profit of Baht 14.23 million, decreased by Baht 108.20 million. The details were as follows:

1. Total revenues were Baht 59.73 million, a decreasing by Baht 84.44 million or 342% mainly from:
 - Fee and service income of Baht 15.61 million, increasing by Baht 9.90 million, was mainly from fee and service income of XSpring Digital Co., Ltd., a subsidiary.
 - Interest income of Baht 27.05 million, increasing by Baht 25.65 million mainly from interest income from investments of the Company and interest income from subsidiaries’ s business operation.
 - Loss from investment in this period of Baht 109.59 million, resulting a revenue from the investment to decrease by Baht 125.28 million, was mainly from realised loss and unrealized loss on revaluation of investment in marketable unit trusts essentially in Asian Market and Developed Market (DM), following the volatility of both domestic and international markets essentially the United States.
Excluding losses from such investment units, the Company would have operating profit of Baht 8.22 million.
 - Other income increased by Baht 3.24 million mainly from higher gain on repayment of debtors of XSpring AMC Asset Management Co., Ltd. which is a subsidiary.

2. Total expenses were Baht 74.71 million, increasing by Baht 20.27 million or 37% mainly from:
- Personal expenses increased by Baht 14.60 million due to higher number of employees to support the group’s business expansion.
 - The reversal of expected credit loss of Baht 0.76 million while last year amounted to Baht 10.19 million, which was caused by the Company and the subsidiaries receiving the repayment from accounts receivable that had previously set aside an allowance for expected credit losses in the past.
 - Other expenses by Baht 27.53 million decreased of Baht 5.87 million mainly from consulting fee decreased by Baht 16.44 million due to the Company’s capital increase and the submission for Digital asset licenses from the same period last year. While the premise expenses, information expenses and others expenses increased by Baht 3.75 million, Baht 3.48 million, and Baht 3.34 million respectively.
3. The share of profit from associates in the three-month period ended June 30, 2022 was Baht 41.12 million, decline from the same period last year of Baht 5.81 million. The Company recognized share of profit of Baht 38.67 million was from Krungthai XSpring Securities Co., Ltd. (“Krungthai XSpring”) which the Company has 49.71% shareholding. Krungthai XSpring’s total revenue decreased by 24%, mainly from declines in brokerage fee income and interest income. However, Krungthai XSpring had an increase in fees and service income and gain and return on financial instruments. Despite lower total expenses, the operating result of Krungthai XSpring declined from the same period last year which reported net profit in this three-month period of Baht 77.79 million.

The operating results of Krungthai XSpring for the three-month period ended June 30, 2022 and 2021 were as follows:

	(Unit : Million Baht)	
	2022	2021
Securities business income – net	370.77	489.28
Operating expenses	(273.84)	(356.99)
Corporate income tax – expenses	(19.14)	(25.44)
Net profit	<u>77.79</u>	<u>106.85</u>

Consolidated operating result for the six months ended June 30, 2022

The Company reported net loss of Baht 132.06 million, comparing with the same period last year which reported net profit of Baht 64.64 million, decreasing by Baht 196.70 million. The details were as follows:

1. Total revenues were Baht 88.23 million, a decreasing by Baht 138.03 million or 277% mainly from:
 - Fee and service income of Baht 20.06 million, increasing by Baht 13.43 million, was mainly from fee and service income of XSpring Digital Co., Ltd., the Company's subsidiary.
 - Interest income of Baht 52.75 million, increasing by Baht 51.03 million mainly from interest income from investments of the Company and business operation of subsidiaries.
 - Loss on investment of Baht 169.61 million. As a result, investment income decreased by Baht 206.60 million from realised loss and unrealized loss on revaluation of investment in marketable unit trusts essentially from Asian Market and Developed Market (DM), following the volatility of both domestic and international markets essentially the United States.

2. Total expenses were Baht 150.85 million, increasing by Baht 48.25 million or 47% mainly from:
 - Employees benefit increased Baht 22.95 million to support the group's business expansion
 - The reversal of expected credit loss of Baht 1.47 million while last year amounted to Baht 14.50 million, which was caused by the company receiving the repayment from accounts receivable that had previously set aside an allowance for expected credit losses in the past.
 - Other expenses increased Baht 9.17 million mainly from the expenses of premises and communication and information.

3. The Company recognized share of profit from associates of Baht 106.53 million, decreasing by Baht 10.82 million or 9% from the same period last year, mainly from lower share of profit from Krungthai XSpring due to decline in brokerage fee and interest income. However, Krungthai XSpring was able to efficiently control their operating expenses which resulting in the lowering of Krungthai XSpring' s total expenses comparing from the same period last year.

Please kindly be informed accordingly.

Yours sincerely,

(Ms. Varangkana Artkarasatapon)
President