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12 November 2024

Subject: Report the operating result for the three-month and nine-month periods ended 30 September 2024
To: President of the Stock Exchange of Thailand

XSpring Capital Public Company Limited (“The Company”) would like to report the consolidated operating result and financial position that has been reviewed by our auditor for the three-month and nine-month period ended 30 September 2024 including overall business, key events and developments, factors that may impact on future performance and sustainability developments as follows:

Overall business

XSpring has created the group’s ecosystem to meet customer’s needs, encompassing six financial service businesses, which are divided into three groups as follows:

1. Financial services for clients seeking capital including:
 - Investment Banking provides comprehensive financial advisory services with expertise in mergers and acquisitions, business rehabilitation and restructuring as well as debt issuance. This includes initial public offerings (IPO) and digital fundraising for digital tokens through initial coin offerings (ICO).
 - Debt Financing - promote and support high-potential companies to facilitate stable and sustainable business growth through direct loans and debt securities (e.g., bonds, commercial paper, and promissory notes), as well as off-market debt securities (Private Credit).
2. Financial services for clients seeking investments including:
 - Wealth Management - offer a variety of investment products for customers including products from 16 partner asset management companies and various funds under curation by our asset management company such as private equity funds and real estate investment trust funds.
 - Brokerage - provide brokerage services for securities and digital assets.
3. Businesses under the XSpring Group including:
 - Investment - focus on investing in high-potential businesses domestically and internationally to maximize returns. Investments are targeted into three aspects: Financial Technology (Fintech), Customer-Centric, and Environment, Social and Corporate Governance (ESG) businesses.

- Distressed Asset Management - another business of XSpring Group that leverages real estate experiences from its shareholders and management team's expertise to strategize the selection of distressed assets. In the past year, XSpring managed its debt portfolio worth over 4 billion baht, including secured and unsecured loans, and corporate loans, in collaboration with Plus Property Co., Ltd., a leading integrated real estate management company, as the partner in managing non-performing asset (NPA) sales.

Summary of key events and developments

This year marks a significant milestone in our ongoing organizational reform, guided by the theme "Lessons Learned for a Better Tomorrow: Learning and Developing for Sustainable Growth." XSpring's comprehensive suite of services is propelled by a strategic Business Transformation initiative emphasizing unity and excellence. This transformation encompasses process optimization, technological innovation, and human capital development to fully leverage our ecosystem and maximize resources through comprehensive Customer Data Integration.

With a dedicated commitment to customer-centric operations, XSpring aims to serve as an intermediary for both businesses seeking capital for expansion and investors pursuing genuine financial growth. Furthermore, this year, the company targets to launch the XSpring application, a platform designed to enhance convenience and elevate the investment experience for our clients, thereby broadening the opportunities for financial success.

Consolidated operating result for the three-month period ended 30 September 2024

The Company reported net profit for the three-month period ended 30 September 2024 of Baht 63.77 million, compared with the same period last year which reported net profit of Baht 38.07 million, increasing by Baht 25.70 million. The details were as follows:

1. Total revenues were Baht 247.65 million, increasing by Baht 61.13 million mainly from:
 - Gain from investment of Baht 59.82 million increased by Baht 77.71 million mainly from gain on investment of Baht 59.83 million and gain from digital assets of Baht 17.89 million, due to an increase in the prices of debt and equity securities, as well as cryptocurrency prices during the period.
 - Fee and service income of Baht 29.59 million increased by Baht 8.73 million mainly from an increase in the Company's fee and service income of the subsidiaries of Baht 7.93 million.
 - Interest income of Baht 137.12 million decreased by Baht 29.82 million mainly from loans to non-related parties of Baht 21.42 million and interest income from loans to the purchase of debtors of Baht 8.50 million of XSpring AMC Asset Management Co., Ltd., a subsidiary.
2. Total expenses were Baht 160.83 million, increasing by Baht 8.88 million mainly from:

- Personal expenses of Baht 82.83 million increased by Baht 11.92 million from the higher number of employees to support the group's business expansion.
 - Fee and service expenses of Baht 7.92 million increased by Baht 2.35 million mainly from fee and service expenses which increased in line with fee and service income of a subsidiary.
 - The expected credit loss of Baht 22.80 million, decreasing by Baht 12.52 million was mainly from setting up allowance of the expected credit losses from loans to the purchase of debtors and other receivables of XSpring AMC Asset Management Co., Ltd., a subsidiary due to collection from debtors and recognition of interest income during the period.
 - Other expenses of Baht 47.28 million increased by Baht 7.14 million mainly from the higher consulting fee and professional fee of Baht 2.85 million and communication and information technology expenses of Baht 1.72 million.
3. The Company recognized a share of profit from associates of Baht 5.86 million, decreasing by Baht 14.40 million, mainly from the share of profit of Krungthai XSpring Securities Co., Ltd., which the Company holds 49.71% shareholding, decreased by Baht 18.16 million. Net profit of Krungthai XSpring Securities Co., Ltd. decreased by Baht 36.53 million, due to the lower brokerage fee income by Baht 5.20 million or 1.10%. The average equity trading value decreased from Baht 47,330.88 million per day to Baht 45,679.48 million per day or 3.49% and other income decreased by Baht 11.86 million. While the total expenses increased by Baht 19.47 million.
 4. Corporate income tax of Baht 28.10 million increased by Baht 12.22 million mainly from the higher profit from operation for the period.

Consolidated operating result for the nine-month period ended 30 September 2024

The Company reported net profit for the nine-month period ended 30 September 2024 of Baht 114.70 million, compared with the same period last year which reported net profit of Baht 71.95 million, increasing by Baht 42.75 million. The details were as follows:

1. Total revenues were Baht 655.40 million, increasing by Baht 251.66 million mainly from:
 - Interest income of Baht 392.29 million increased by Baht 73.99 million mainly from interest income from investment of Baht 15.51 million, interest income from loans to the purchase of debtors of Baht 40.23 million of XSpring AMC Asset Management Co., Ltd., a subsidiary and interest income from loans to non-related parties of Baht 20.66 million.
 - Fee and service income of Baht 150.26 million increased by Baht 97.84 million mainly from an increase in the Company's fee and service income of Baht 15.33 million and the subsidiaries' fee and service income of 82.51 million.

- Gain from investment of Baht 44.55 million increased by Baht 55.87 million mainly from gain on investment of Baht 28.69 million and gain from digital asset of Baht 27.18 million, due to an increase in the prices of debt and equity securities, as well as cryptocurrency prices during the period.
2. Total expenses were Baht 512.69 million, increasing by Baht 135.27 million mainly from:
 - Personal expenses of Baht 259.95 million increased by Baht 57.78 million from the higher number of employees to support the group's business expansion.
 - Fee and service expenses of Baht 40.63 million increased by Baht 26.47 million mainly from fee and service expenses which increased in line with fee and service income of a subsidiary.
 - The expected credit loss of Baht 69.74 million, increasing by Baht 21.02 million was mainly from setting up allowance of the expected credit losses from loans to the purchase of debtors and other receivables of XSpring AMC Asset Management Co., Ltd., a subsidiary due to expansion of investment in loans to the purchase of debtors.
 - Other expenses of Baht 142.38 million increased by Baht 29.99 million mainly from the higher amortization expense of fixed assets and intangible assets of Baht 7.61 million, consulting fee and professional fee of Baht 7.07 million, and communication and information technology expenses of Baht 5.35 million.
 3. The Company recognized a share of profit from associates of Baht 20.64 million, decreasing by Baht 42.77 million, mainly from the share of profit of Krungthai XSpring Securities Co., Ltd., which the Company holds 49.71% shareholding, decreased by Baht 45.77 million. Net profit of Krungthai XSpring Securities Co., Ltd. decreased by Baht 55.54 million, due to the lower brokerage fee income by Baht 92.07 million or 86.67%. The average equity trading value decreased from Baht 52,093.46 million per day to Baht 43,453.66 million per day or 16.59%, other income decreased by Baht 15.87 million, while the total expenses decreased by Baht 10.47 million.
 4. Corporate income tax of Baht 46.17 million increased by Baht 31.07 million mainly from the higher profit from operation for the period.

Summary financial position

As of 30 September 2024, the Company had total assets of Baht 12,197.54 million increased by Baht 1,031.86 million or 9.24 compared to as of 31 December 2023 which mainly from loans to others of Baht 1,935.76 million since the Company has expanded financial support to high-potential companies and individuals. While financial assets of Baht 3,888.29 million, including investment in equity securities and unit trusts both of domestic international markets of Baht 1,831.30 million, corporate debt securities of Baht 365.41 million, perpetual bonds of Baht 759.61 million and other investments of Baht 932.07 million, decreased by Baht 1,034.31 million compared to as at 31 December 2023.

As of 30 September 2024, shareholders' equity was Baht 11,809.59 million, increased by Baht 1,045.64 million, or 9.71% from as of 31 December 2023 due to increased share capital of Baht 965.04 million, and net operation profit of Baht 114.70 million and decreased other components of equity of Baht 34.10 million.

Factors Influencing Future Performance

XSpring anticipates that several external factors may impact its future performance. These include the slow recovery of the Thai economy, worsened by widespread flooding in various regions, the volatility in both the capital and digital asset markets, and the increase in household debt. Each of these elements poses potential challenges that could affect the company's operational outlook.

Sustainability developments

XSpring is committed to driving business growth in alignment with sustainability principles, with a focus on environmental responsibility, social impact, and strong governance practices (ESG). By adhering to these values, the company aims to foster long-term sustainable development for both the organization and society. It prioritizes transparency, fairness, and the protection of stakeholder benefit while actively addressing environmental concerns. The company continuously implements strategies to reduce greenhouse gas emissions, supports sustainable business financing, and prioritizes investments in clean energy initiatives to further the green economy.

In terms of social responsibility, XSpring recognizes the importance of enhancing financial literacy and accessibility to financial tools for the wider community. To this end, the company has partnered with the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand, and the National Association of the Deaf in Thailand to launch the "Because Sharing is Caring - The Unsilenced Truths: Money is Something You Need to Know" project. This initiative aims to promote equality in financial and investment knowledge, particularly for the hearing impaired, through seminars and the distribution of educational videos on personal finance, investment, and protection against investment fraud. Building on the success of the previous year's initiative, XSpring continues its commitment to financial knowledge expansion, following the 2023 "Play to Win – The Arena of Life That Cannot Be Lost" project, which provided financial education to boxing athletes and industry professionals to mitigate financial risks and help them achieve long-term financial stability, thereby supporting sustained growth.

Please kindly be informed accordingly.

Yours sincerely,

(Ms. Varangkana Artkarasatapon)
Managing Director