



August 13, 2025

Subject: Management Discussion and Analysis of the operating results for the period ended June 30, 2025

To President  
The Stock Exchange of Thailand

Asphere Innovation Public Company Limited has submitted its financial statements, including the results of its subsidiaries, for the period ending June 30, 2025. These statements were reviewed by Forvis Mazars Limited, the auditor, and approved by the Board of Directors on August 13, 2025.

**Key Highlights for Q2/2025 vs Q1/2025**

- Revenue increases by 8.6%.
- Gross profit increases by 8.2%.
- Net profit decreases by 44.5%.

**Summary of Q1/2025**

In Q2/2025, the Group successfully maintained a solid revenue base from its core PC gaming business. Total revenue grew by 8.6% from the previous quarter, with significant growth in Thailand—23.4% quarter-on-quarter (QoQ) and 17.5% year-on-year (YoY)—driven primarily by the PC game segment.

On the profitability front, the Group reported a net profit of THB 21.8 million, representing a decline of approximately 44.5% from the previous quarter. The primary reason was an unrealized foreign exchange loss due to the depreciation of the U.S. dollar during the quarter.

**Summary of Six-Month Period Ended June 30, 2025**

For the six-month period ended June 30, 2025, the Group's total revenue decreased by 19.4% from the previous year, primarily due to the discontinuation of Cabal Mobile in the Philippines and a decline in commission income. Consequently, gross profit dropped by 36.4%, and net profit declined by 53.8%, mainly from unrealized foreign exchange losses.

Despite these impacts, the performance for the six-month period continued to reflect the strength of the PC gaming business, particularly in Thailand, along with a positive outlook in the mobile gaming market, which serves as a key foundation for the Group's long-term business expansion. While net profit was affected by foreign exchange movements, revenue from the core business continued to grow steadily.



### Financial Performance

Unit: Million Baht	Profit & Loss for 6-month ended June 30, 2025 and 2024 and March 31, 2025									
Financial Statement	Q2/2025	%	Q1/2025	%	Q2/2024	%	Variance QoQ	%	Variance YoY	%
Revenues from sales and services	263.8	100.0%	242.9	100.0%	270.9	100.0%	20.9	8.6%	(7.1)	(2.6%)
Cost of sales and services	155.3	58.9%	142.6	58.7%	140.0	51.7%	12.7	8.9%	15.3	10.9%
<b>Gross Profit (Loss)</b>	<b>108.5</b>	<b>41.1%</b>	<b>100.2</b>	<b>41.3%</b>	<b>130.9</b>	<b>48.3%</b>	<b>8.2</b>	<b>8.2%</b>	<b>(22.5)</b>	<b>(17.2%)</b>
Selling & Admin Expenses	70.8	26.8%	68.0	28.0%	84.9	31.4%	2.8	4.1%	(14.1)	(16.6%)
<b>Operating Profit (Loss) *</b>	<b>37.7</b>	<b>14.3%</b>	<b>32.2</b>	<b>13.3%</b>	<b>46.0</b>	<b>17.0%</b>	<b>5.4</b>	<b>16.9%</b>	<b>(8.3)</b>	<b>(18.1%)</b>
Others	(15.8)	6.0%	7.1	2.9%	2.6	1.0%	(22.9)	(323.1%)	(18.5)	(703.9%)
<b>Net Profit (Loss) **</b>	<b>21.8</b>	<b>8.3%</b>	<b>39.3</b>	<b>16.2%</b>	<b>48.6</b>	<b>17.9%</b>	<b>(17.5)</b>	<b>(44.5%)</b>	<b>(26.8)</b>	<b>(55.1%)</b>

Remark:

\* Profit (Loss) after the one-time expense

\*\* Net Profit (Loss) on parent company

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Unit : Million Baht	Profit & Loss for 6-month ended June 30, 2025 and 2024					
Financial Statement	6M 2025	%	6M 2024	%	Variance YoY	%
Revenues from sales and services	506.7	100.0%	622.5	100.0%	(115.8)	(18.6%)
Cost of sales and services	298.0	58.8%	300.1	48.2%	(2.1)	(0.7%)
<b>Gross Profit (Loss)</b>	<b>208.7</b>	<b>41.2%</b>	<b>322.4</b>	<b>51.8%</b>	<b>(113.7)</b>	<b>(35.3%)</b>
Selling & Admin Expenses	138.8	27.4%	198.1	31.8%	(59.2)	(29.9%)
<b>Operating Profit (Loss) *</b>	<b>69.9</b>	<b>13.8%</b>	<b>124.4</b>	<b>20.0%</b>	<b>(54.5)</b>	<b>(43.8%)</b>
Others	(8.7)	(1.7%)	1.5	0.2%	(10.2)	(688.5%)
<b>Net Profit (Loss) **</b>	<b>61.1</b>	<b>12.1%</b>	<b>125.8</b>	<b>20.2%</b>	<b>(64.7)</b>	<b>(51.4%)</b>

Remark:

\* Profit (Loss) after the one-time expense

\*\* Net Profit (Loss) on parent company

Unit: Million Baht	Revenue by Country for 6-month ended 30, 2025 and 2024 and 31 March 2025									
Revenue by country	Q2/2025	%	Q1/2024	%	Q2/2024	%	Variance QoQ	%	Variance YoY	%
Thai	97.2	36.9%	78.8	32.4%	82.8	30.6%	18.5	23.4%	14.5	17.5%
Singapore	141.1	53.5%	138.0	56.8%	118.2	43.6%	3.1	2.3%	22.9	19.4%
Philippines	16.6	6.3%	15.4	6.4%	52.9	19.5%	1.1	7.4%	(36.3)	(68.7%)
Vietnam	8.8	3.4%	10.6	4.4%	17.0	6.3%	(1.8)	(16.7%)	(8.1)	(47.9%)
<b>Total</b>	<b>263.8</b>	<b>100.0%</b>	<b>242.9</b>	<b>100.0%</b>	<b>270.9</b>	<b>100.0%</b>	<b>20.9</b>	<b>8.6%</b>	<b>7.1</b>	<b>2.7%</b>

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Unit: Million Baht	Profit & Loss for 6-month ended June 30, 2025 and 2024					
Revenue by country	2025	%	2024	%	Variance YoY	%
Thai	176.0	34.7%	183.9	29.5%	(7.9)	(4.3%)
Singapore	279.1	55.1%	275.4	44.2%	3.7	1.4%
Philippines	32.0	6.3%	126.2	20.3%	(94.1)	(74.6%)
Vietnam	19.5	3.8%	36.8	5.9%	(17.4)	(47.2%)
<b>Total</b>	<b>506.7</b>	<b>100.0%</b>	<b>622.4</b>	<b>100.0%</b>	<b>(115.8)</b>	<b>(18.6%)</b>

## Revenues

In the Q2/2025, the Group reported total revenue from sales and services of THB 263.8 million, compared to THB 242.9 million in the previous quarter—an increase of THB 20.9 million or 8.6%. The revenue contribution from the domestic and international markets stood at 36.9% and 63.1%, respectively.

The increase in revenue was mainly driven by strong growth in the domestic market. Compared to both the previous quarter and Q2/2024, revenue from domestic operations showed a significant increase, mainly attributable to the Group's core games. This reflects the strength and growth potential of the player base, particularly as the Group plans to launch *Yulgang Classic*, a mobile version of the popular game, to further serve this strong and engaged user base in the second half of 2025.

A key driver of the revenue growth in Q2/2025 was the notable increase in domestic revenue, which rose by 23.4% compared to Q1/2025 and by 17.5% year-over-year from Q2/2024. This performance underscores the continued strength and resilience of the Company's player base in Thailand. In addition, revenue from international markets recorded a 1.5% increase in the previous quarter.

For the six-month period ended June 30, 2025, the Group reported total revenue of THB 506.7 million, representing a decrease of THB 115.8 million or 18.6% compared to the same period of the previous year. The decline was primarily attributable to the termination of Cabal Mobile game service in the Philippines, as well as a decrease in commission income from service providers when compared to the prior year.

In terms of revenue contribution by geographic segment, domestic and international markets accounted for 34.7% and 65.3% of total revenue, respectively, compared to 29.5% and 70.5% in the same period last year. This reflects a relative increase in domestic revenue contribution.





On a country-by-country basis, overall revenue showed a declining trend. Revenue from Thailand decreased slightly by 4.3%, while revenue from the Philippines and Vietnam declined significantly by 74.6% and 47.2%, respectively. Revenue from Singapore remained relatively stable compared to the same period of the previous year.

#### **Cost of Goods Sold**

In Q2/2025, the Group reported total cost of sales and services of THB 155.3 million, an increase from THB 142.6 million in the previous quarter, representing a growth of 8.9%. This increase was in line with the growth in revenue and was primarily driven by a significant 42% increase in direct costs, particularly related to PlayPark Services. The increase in direct costs corresponded with the higher revenue and reflects the ongoing expansion of the Group's operations.

For the six-month period ended June 30, 2025, total cost of sales and services amounted to THB 298.0 million, representing a decrease of THB 2.1 million or 0.7% compared to the same period of the previous year.

#### **Gross Profit**

In Q2/2025, the Group recorded gross profit of THB 108.5 million, representing a 8.2% increase compared to Q1/2025. This growth was mainly driven by the increase in revenue, particularly from the domestic market, which contributed to the improved gross profit quarter-over-quarter.

For the six-month period ended June 30, 2025, the Group recorded gross profit of THB 208.7 million, representing a decrease of THB 113.7 million or 35.3% compared to the same period of the previous year. The decline was primarily driven by a reduction in total revenue, particularly due to the termination of Cabal Mobile game service in the Philippines and a decrease in commission income received from service providers, compared to the same period last year.

#### **Selling and Admin Expenses**

In Q2/2025, the Group recorded total selling and administrative expenses of THB 70.8 million, an increase from THB 68.0 million in Q1/2025, representing a growth of 4.1%. The key contributor to this increase was a 29% rise in marketing and advertising expenses, which were primarily driven by promotional and campaign activities for the Group's core games. These efforts successfully translated into revenue growth for both titles.

For the six-month period ended June 30, 2025, selling and administrative expenses totaled THB 138.8 million, a decrease of THB 59.2 million or 29.9% compared to the same period of the previous year.



**Net Profit (Loss)**

In Q2/2025, the Group recorded a net profit of THB 21.8 million, representing 8.3% of total revenue. This represents a 44.5% decrease from the THB 39.3 million recorded in the previous quarter. The primary reason for this decline was the impact of foreign exchange losses on assets denominated in foreign currencies, particularly the U.S. dollar, which depreciated during the quarter. It is important to note that these losses are unrealized and have not yet materialized.

For the six-month period ended June 30, 2025, the Group reported a net profit of THB 61.1 million, a decrease of THB 64.7 million or 51.4% compared to the same period last year. The decline was mainly attributable to significant foreign exchange fluctuations, particularly the appreciation of the U.S. dollar, resulting in unrealized losses that have not yet been realized.



## Financial Position of the Company

Unit: Million Baht	For the 6-month period ended June 30, 2025 and December 31, 2024					
Statement of Financial Position	Q2/2025	%	2024	%	Variance	%
Current Assets	519.6	29.8%	504.7	29.5%	14.9	2.9%
Non-Current Assets	1,226.4	70.2%	1,206.2	70.5%	20.2	1.7%
<b>Total Assets</b>	<b>1,746.0</b>	<b>100.0%</b>	<b>1,710.9</b>	<b>100.0%</b>	<b>35.1</b>	<b>2.1%</b>
Current Liabilities	348.8	20.0%	310.9	18.2%	37.9	12.2%
Non-Current Liabilities	81.3	4.7%	130.1	7.6%	(48.9)	(37.5%)
<b>Total Liabilities</b>	<b>430.1</b>	<b>24.6%</b>	<b>441.0</b>	<b>25.8%</b>	<b>(10.9)</b>	<b>(2.5%)</b>
Shareholders' Equity	1,315.9	75.4%	1,269.9	74.2%	46.0	3.6%
<b>Total Liabilities and Equity</b>	<b>1,746.0</b>	<b>100%</b>	<b>1,710.9</b>	<b>100.0%</b>	<b>35.1</b>	<b>2.1%</b>

As of June 30, 2025, the Group's total assets amounted to THB 1,746.0 million, an increase of THB 35.1 million or 2.1% from the end of 2024. The key changes are as follows:

- Current assets increased by 2.9%, from THB 504.7 million to THB 519.6 million, primarily driven by an increase in cash and cash equivalents, reflecting improved operating performance.
- Non-current assets rose by 1.7%, from THB 1,206.2 million to THB 1,226.4 million, mainly due to additional investment in intangible assets such as new game licenses.

Total liabilities stood at THB 430.1 million, a decrease of THB 10.9 million or 2.5% from year-end 2024, with the following breakdown:

- Current liabilities increased by 12.2%, from THB 310.9 million to THB 348.8 million.
- Non-current liabilities decreased significantly by 37.5%, from THB 130.1 million to THB 81.3 million, due to ongoing repayments of long-term borrowings during the first half of the year.

Total shareholders' equity increased by THB 46.0 million or 3.6%, from THB 1,269.9 million to THB 1,315.9 million, mainly as a result of retained earnings generated from operations in Q1 and Q2/2025.



Kindly be informed accordingly.

Yours faithfully,

Mr. Chawanin Tritavornyuenyong  
Group Finance and Account Director