



February 26, 2025

Subject: Management Discussion and Analysis of the operating results for the period ended December 31, 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 December 31, 2025. These statements were reviewed by Forvis Mazars Limited, the auditor, and approved by the Board of Directors on February 26, 2025.

**Key Highlights for Q4/2025 vs Q3/2025**

- Revenue decreases by 1.9%.
- Gross profit increases by 3.6%.
- Net profit increases by 47.6%.

**Summary of Q4/2025**

In Q4/2025, the Group demonstrated strong resilience in maintaining its top-line stability, reporting total revenue of 353.45 MB. This represents a marginal decline of only 1.9% QoQ, primarily due to the high revenue base in Q3 from large-scale Marketing Services projects.

However, our Core Gaming Business exhibited exceptional growth, surging to 15.3% QoQ and a robust 50.3% YoY. The Mobile Games segment remains the key driver of this success, fueled by proactive strategic initiatives. These include the successful launch of 'MU New Dawn', which received a strong market reception—particularly in international markets like the Philippines—and the successful relaunch of 'Real Yulgang Classic' in Q4, which continues to command high loyalty from its core player base. These milestones reflect our expertise in Content Management and our ability to precisely meet regional market demands.

Regarding profitability and expense management, the Group reported a Net Profit of 28.2 MB, a 47.6% decrease QoQ. This decline was primarily driven by intensified Marketing Expenses associated with the launches of 'MU New Dawn' and 'Real Yulgang Classic'. Consistent with the nature of online game industry, initial marketing investments are typically high during launch periods. Nevertheless, on a year-over-year basis, Net Profit increased by 8.31% YoY.



### Summary of Full Year Ended December 31, 2025

For the fiscal year 2025, the Group successfully drove total revenue to 1,220.2 MB, representing a steady growth of 8.9% YoY. This performance was underpinned by three strategic pillars:

- **Strategy Games:** We maintained consistent revenue streams from our core PC titles, which grew by 6.1%. This was achieved through collaborative content updates tailored to player demands, alongside targeted marketing initiatives that expanded the user base.
- **Mobile Game Expansion:** A proactive push into the mobile segment saw the successful regional launch of key titles across Southeast Asia (SEA), including *Granado Espada Mobile* and *MU New Dawn*.
- **New Revenue Streams:** The introduction of "Playpark Services" has strengthened our revenue structure. This new brand successfully secured a partnership with a renowned Korean developer for the high-profile launch of *LordNine*.

Net Profit for FY2025 saw a 6.1% YoY decrease. This was primarily attributed to higher core costs, specifically Royalty and License fees associated with the Group's strategic titles. Additionally, Marketing Expenses increased compared to the previous year due to intensified promotional activities for new launches and game relaunches.

Furthermore, the Group's bottom line was impacted at year-end by a 3.6 MB Unrealized Loss on Exchange Rate due to the depreciation of the US Dollar. It is important to note that this is an external factor unrelated to the Group's core operations. As a non-cash accounting item, it has no impact on the Group's liquidity or operational cash flow.

The Group remains confident in its strong business fundamentals and is well-positioned to drive exponential growth in the coming year.



## Financial Performance

Unit: Million Baht	Profit & Loss for 3 month ended December 31, 2025 and 2024 and September 30, 2025									
Financial Statement	Q4/2025	%	Q3/2025	%	Q4/2024	%	Variance QoQ	%	Variance YoY	%
Revenues from sales and services	353.4	100.0%	360.1	100.0%	232.1	100.0%	(6.7)	(1.9%)	121.4	52.3%
Cost of sales and services	187.5	53.0%	199.9	55.5%	120.9	52.1%	(12.4)	(6.2%)	66.6	55.1%
<b>Gross Profit (Loss)</b>	<b>165.9</b>	<b>47.0%</b>	<b>160.3</b>	<b>44.5%</b>	<b>111.2</b>	<b>47.9%</b>	<b>5.7</b>	<b>3.6%</b>	<b>54.7</b>	<b>49.2%</b>
Selling & Admin Expenses	132.5	37.5%	98.8	27.4%	93.9	40.5%	33.7	34.2%	38.6	41.1%
<b>Operating Profit (Loss) *</b>	<b>33.4</b>	<b>9.5%</b>	<b>61.5</b>	<b>17.1%</b>	<b>17.3</b>	<b>7.4%</b>	<b>(28.0)</b>	<b>(45.6%)</b>	<b>16.2</b>	<b>93.5%</b>
Others	(5.3)	1.5%	(7.7)	(2.2%)	8.7	3.8%	2.5	(31.9%)	(14.0)	(160.5%)
<b>Net Profit (Loss) **</b>	<b>28.2</b>	<b>8.0%</b>	<b>53.7</b>	<b>14.9%</b>	<b>26.0</b>	<b>11.2%</b>	<b>(25.6)</b>	<b>(47.6%)</b>	<b>2.2</b>	<b>8.3%</b>

Remark:

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

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

Unit : Million Baht	Profit & Loss for Year ended December 31, 2025, and 2024					
Financial Statement	2025	%	2024	%	Variance YoY	%
Revenues from sales and services	1,220.2	100.0%	1,120.3	100.0%	99.9	8.9%
Cost of sales and services	685.3	56.2%	563.8	50.3%	121.5	21.6%
<b>Gross Profit (Loss)</b>	<b>534.9</b>	<b>43.8%</b>	<b>556.5</b>	<b>49.7%</b>	<b>(21.6)</b>	<b>(3.9%)</b>
Selling & Admin Expenses	370.1	30.3%	379.2	33.8%	(9.0)	(2.4%)
<b>Operating Profit (Loss) *</b>	<b>164.8</b>	<b>13.5%</b>	<b>177.3</b>	<b>15.8%</b>	<b>(12.5)</b>	<b>(7.1%)</b>
Others	(21.8)	(1.8%)	12.0	1.1%	(33.8)	(281.2%)
<b>Net Profit (Loss) **</b>	<b>143.0</b>	<b>11.7%</b>	<b>189.3</b>	<b>16.9%</b>	<b>(46.3)</b>	<b>(24.5%)</b>

Remark:

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

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

---

ASPHERE INNOVATIONS PUBLIC COMPANY LIMITED 51 Major Tower Rama 9 – Ramkhamhaeng,

18th Floor, Room 3-8 Rama 9 Road, Hua Mak, Bangkok, Bangkok 10240, Thailand

T +66 (0) 2769-8888 | F +66 (0) 2090-2730



Unit: Million Baht	Revenue by Country for 3 months ended December 31, 2025 and 2024 and 30 September 2025									
Revenue by country	Q4/2025	%	Q3/2025	%	Q4/2024	%	Variance QoQ	%	Variance YoY	%
Thai	97.0	27.5%	144.5	40.1%	87.5	37.7%	(47.4)	(32.8%)	9.5	10.9%
Singapore, Malaysia, Indonesia	170.0	48.1%	189.0	52.5%	120.1	51.8%	(19.0)	(10.0%)	49.9	41.5%
Philippines	80.3	22.7%	18.4	5.1%	12.4	5.3%	61.9	336.7%	67.9	548.1%
Vietnam	6.1	1.7%	8.3	2.3%	12.0	5.2%	(2.2)	(26.5%)	(5.9)	(48.9%)
<b>Total</b>	<b>353.4</b>	<b>100.0%</b>	<b>360.1</b>	<b>100.0%</b>	<b>- 232.0</b>	<b>100.0%</b>	<b>(6.7)</b>	<b>(1.9%)</b>	<b>(121.4)</b>	<b>(34.3%)</b>

Unit: Million Baht	Revenue by Country for Year Ended December 31, 2025 and 2024					
Revenue by country	2025	%	2024	%	Variance YoY	%
Thai	417.5	34.2%	356.6	31.8%	60.9	17.1%
Singapore, Malaysia, Indonesia	638.1	52.3%	543.6	48.5%	94.5	17.4%
Philippines	130.7	10.7%	158.8	14.2%	(28.1)	(17.7%)
Vietnam	33.9	2.8%	61.2	5.5%	(27.3)	(44.6%)
<b>Total</b>	<b>1,220.2</b>	<b>100.0%</b>	<b>1,120.2</b>	<b>100.0%</b>	<b>100.0</b>	<b>8.9%</b>



## Revenues

In Q4/2025, the Group reported total revenue from sales and services of 353.5 MB. This represents a marginal decline of 1.9% QoQ, primarily due to the high revenue base in Q3 from major Marketing Service projects. However, this was largely offset by the strong performance of new title 'MU New Dawn' and the successful relaunch of 'Real Yulgang Classic.'

Notably, the Core Online Gaming Business demonstrated exceptional growth, surging 15.3% QoQ and a robust 50.3% YoY. This success was driven by the Mobile Games segment, which experienced exponential growth of 393.9% QoQ and 502.8% YoY, underpinned by two key strategies:

- **Global Market Penetration via "MU New Dawn"**: The successful launch across 5 countries—Thailand, Singapore, Philippines, Malaysia, and Indonesia—reflects our superior Content Curation capabilities tailored to regional audiences.
- **Strengthening IP Portfolio with "Real Yulgang Classic"**: The Q4 relaunch successfully migrated and expanded the player base from the original PC and previous 'Real Yulgang Mobile' versions. This strategy effectively addressed the demands of our loyal player base, securing long-term sustainable revenue.

For Q4/2025, International Revenue contributed 73% of the total mix, solidifying our position as a dominant player in the regional gaming industry.

For the full year 2025, the Group successfully increased total revenue to 1,220.2 MB, an increase of 99.9 MB or 8.9% YoY. The primary drivers of this growth were:

- **Strategic New Game Launches**: Large-scale mobile launches, specifically *MU New Dawn* and *Granado Espada Mobile*, established a foundation for sustainable revenue through a highly engaged player community.
- **New Revenue Stream – PlayPark Services**: A pivotal factor this year was the introduction of marketing services, which saw significant traction in Q3. This success reflects the deep trust regional partners place in our extensive service expertise.

In 2025, the Group successfully rebalanced its revenue portfolio. The Domestic (Thailand) market share increased to 34.2% (up from 31.8% in the previous year), while International Revenue accounted for 65.8%. Key market insights include:

- **Sustained Growth Markets**: Thailand, Singapore, Malaysia, and Indonesia remain our core pillars of stable growth. Notably, Thailand's revenue grew by 17.1% YoY.



- **Consolidating Markets:** While the Philippines and Vietnam underwent a consolidation phase, the exceptional reception of *MU New Dawn* toward year-end led to significant revenue growth in the Philippines. This serves as a strong positive indicator for a recovery and accelerated growth in these markets for the coming year.

### **Cost of Goods Sold**

In Q4/2025, the Group's total Cost of Sales and Services stood at 187.5 MB, representing a 6.2% decrease QoQ from 199.9 MB in the previous quarter. This reduction was primarily driven by effective Cost Optimization strategies, particularly through significantly improved control over core operational expenses.

For the full year ended December 31, 2025, the Group reported a total Cost of Sales and Services of 685.3 MB, an increase of 121.5 MB or 21.6% YoY. This increase was mainly attributed to higher Royalty and License fees associated with the Group's core strategic titles. Additionally, the increase reflects the initial costs incurred from the launch of the new Marketing Services business, a key strategic initiative aimed at achieving long-term Revenue Diversification.

### **Gross Profit**

In Q4/2025, the Group reported a Gross Profit of 165.9 MB, representing a 3.6% increase QoQ. This improvement was primarily driven by a decrease in costs associated with Playpark Services, following a reduction in revenue contribution from this segment compared to the previous quarter. In Q3, Playpark Services recognized a large-scale project which resulted in proportionally higher costs, whereas Q4 saw a more normalized cost structure.

For the full year ended December 31, 2025, the Group reported a total Gross Profit of 534.9 MB, a marginal decrease of 3.9% YoY. This decline was primarily attributed to increased Royalty and License fees, which remain the core costs associated with our online gaming services.



### **Selling and Admin Expenses**

In Q4/2025, the Group's total Selling and Administrative (SG&A) Expenses amounted to 132.5 MB, an increase of 34.2% QoQ. This rise was primarily driven by a 89.8% surge in advertising and marketing expenditure compared to the same period last year. The investment was strategically allocated to build brand awareness and acquire users for our two major titles: *MU New Dawn* and *Real Yulgang Classic*. Additionally, the Group recognized an Allowance for Impairment totaling 26.5 MB during the quarter.

For the full year ended December 31, 2025, total SG&A expenses reached 370.1 MB, representing a decrease of 9.1 MB or 2.4% YoY. This overall reduction was mainly achieved through effective personnel cost management and restructuring, which resulted in a 20.7% decrease in employee-related expenses. Although the Group increased its marketing budget by 16.7% YoY to aggressively promote new game launches, our disciplined control over Fixed Costs ensured that the savings from personnel restructuring significantly offset the rise in marketing investment.

### **Net Profit (Loss)**

In the fourth quarter of 2025, the Group reported a Net Profit of 28.2 MB, representing a Net Profit Margin of 8%. While Net Profit declined 47.6% QoQ due to intensified marketing expenditures for new game launches, it achieved a healthy growth of 8.3% YoY. This year-over-year improvement was primarily supported by a significant 52.3% surge in total revenue. The key factors impacting profitability this quarter were the year-end promotional investments and the recognition of an Allowance for Impairment totaling 28.2 MB.

For the full year ended December 31, 2025, the Group achieved a total Net Profit of 143.0 MB, a 24.5% decrease YoY. The decline was primarily driven by higher Royalty and License fees, which pressured overall margins. Additionally, the year-over-year comparison was affected by a high base in 2024, which included a one-time Commission Income of 32.1 MB.



## Financial Position of the Company

Unit: Million Baht	As of December 31, 2025 and 2024					
Statement of Financial Position	2025	%	2024	%	Variance	%
Current Assets	608.5	34.1%	504.7	29.5%	103.8	20.6%
Non-Current Assets	1,174.5	65.9%	1,206.2	70.5%	(31.7)	(2.6%)
<b>Total Assets</b>	<b>1,783.0</b>	<b>100.0%</b>	<b>1,710.9</b>	<b>100.0%</b>	<b>72.1</b>	<b>4.2%</b>
Current Liabilities	356.7	20.0%	310.9	18.2%	45.8	14.7%
Non-Current Liabilities	73.0	4.1%	130.1	7.6%	(57.2)	(43.9%)
<b>Total Liabilities</b>	<b>429.6</b>	<b>24.1%</b>	<b>441.0</b>	<b>25.8%</b>	<b>(11.4)</b>	<b>(2.6%)</b>
Shareholders' Equity	1,353.4	75.9%	1,269.9	74.2%	83.5	6.6%
<b>Total Liabilities and Equity</b>	<b>1,783.0</b>	<b>100%</b>	<b>1,710.9</b>	<b>100.0%</b>	<b>72.1</b>	<b>4.2%</b>

As of December 31, 2025, the Group reported Total Assets of 1,783.0 MB, an increase of 72.1 MB or 4.2% compared to the end of the previous year. Significant changes are summarized as follows:

- **Current Assets:** Stood at 608.5 MB, an increase of 20.6%. This growth was primarily driven by a rise in Cash and Cash Equivalents, reflecting continuous improvement in sales and service revenue backed by strong operating cash flow.
- **Non-Current Assets:** Stood at 1,174.5 MB, a decrease of 2.6%. This was mainly due to investment payments for upcoming game licenses scheduled for next year, alongside the partial disposal of investments in Bitkub Capital Group Holdings Co., Ltd. (Financial assets measured at FVOCI) during Q4/2025.

The Group's Total Liabilities reached 429.6 MB, a decrease of 2.6%. Notable movements include:

- **Current Liabilities:** Increased by 14.7% to 356.7 MB, primarily due to an increase in Trade and Other Payables, consistent with expanded business activities and operational preparations for future growth.
- **Non-Current Liabilities:** Experienced a significant reduction of 43.9%, falling to 73.0 MB. This was primarily due to the repayment of long-term loans from financial institutions, which successfully reduced financial costs and further strengthened the Group's financial stability.



Shareholders' Equity: Growth in Capital Value

- Total Shareholders' Equity continued its steady growth, reaching 1,353.4 MB, an increase of 83.5 MB or 6.6% compared to the end of 2024. This growth was mainly supported by the increase in Retained Earnings from the Group's FY2025 performance, underscoring our ability to deliver sustainable returns to shareholders.

Kindly be informed accordingly.

Yours faithfully,

Mr. Chawanin Tritavornyuenyong  
Group Finance and Account Director