



May 10, 2024

Subject: Management Discussion and Analysis of the operating results for the period ended March 31, 2024

To President  
The Stock Exchange of Thailand

Asphere Innovation Public Company Limited has submitted its financial statements, which include the results of its subsidiaries, for the period ending on March 31, 2024. These statements were reviewed by Mazars Limited, the auditor, and approved by the Board of Directors on May 10, 2024.

**Key Highlights for Q1/2024 vs Q4/2023**

- Revenue decreased by 9.6%.
- Gross profit decreased by 8.1%.
- Net profit decreased by 21.3%.

**Summary of Q1/2024**

Although there was a drop in the group's revenue and gross profit in Q1/2024, the selling and admin expenses also declined, and the gain from foreign exchange led to higher profit from previous quarter.

Unit: Million Baht	Profit & Loss for 3-month ended Mar 31, 2024 and 2023 and December 31, 2023									
	Q1/2024	%	Q4/2023	%	Q1/2023	%	Variance QoQ	%	Variance YoY	%
Revenues from sales and services	351.6	100.0%	388.9	100.0%	320.1	100.0%	(37.3)	(9.6%)	31.4	9.8%
Cost of sales and services	160.0	45.5%	180.4	46.4%	172.5	53.9%	(20.4)	(11.3%)	(12.4)	(7.2%)
<b>Gross Profit (Loss)</b>	<b>191.5</b>	<b>54.5%</b>	<b>208.4</b>	<b>53.6%</b>	<b>147.7</b>	<b>46.1%</b>	<b>(16.9)</b>	<b>(8.1%)</b>	<b>43.8</b>	<b>29.7%</b>
Selling & Admin Expenses	113.1	32.2%	139.7	35.9%	103.4	32.3%	(26.6)	(19.0%)	9.7	9.4%
<b>Operating Profit (Loss) *</b>	<b>78.4</b>	<b>22.3%</b>	<b>68.8</b>	<b>17.7%</b>	<b>44.3</b>	<b>13.8%</b>	<b>9.6</b>	<b>14.0%</b>	<b>34.1</b>	<b>77.1%</b>
Others	(1.5)	(0.4%)	(5.4)	(1.4%)	(0.8)	(0.3%)	3.9	(71.9%)	(0.7)	88.5%
<b>Net Profit (Loss) **</b>	<b>76.9</b>	<b>21.9%</b>	<b>63.4</b>	<b>16.3%</b>	<b>43.4</b>	<b>13.6%</b>	<b>13.5</b>	<b>21.3%</b>	<b>33.4</b>	<b>76.9%</b>

Remark:

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

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



# ASPHERE

Unit: Million Baht	Revenue by Country for 3-month ended Mar 31, 2024 and 2023 and December 31, 2023										
Revenue by country	Q1/2024	%	Q4/2023	%	Q1/2023	%	Variance QoQ	%	Variance YoY	%	
Thai	101.1	28.8%	143.9	37.0%	78.2	24.4%	42.8	29.7%	22.9	22.7%	
Singapore	157.2	44.7%	178.4	45.9%	151.7	47.4%	21.2	11.9%	5.5	3.5%	
Malaysia	0.2	0.05%	0.0	0.0%	23.3	7.3%	(0.2)	#DIV/0!	(23.2)	(14480.5%)	
Philippines	73.2	20.8%	52.5	13.5%	39.2	12.2%	(20.7)	(39.5%)	34.1	46.5%	
Vietnam	19.9	5.6%	14.1	3.6%	27.6	8.6%	(5.8)	(41.0%)	(7.8)	(39.0%)	
Indonesia	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	55.5%	0.0	100.0%	
<b>Total</b>	<b>351.6</b>	<b>100.0%</b>	<b>388.9</b>	<b>100.0%</b>	<b>320.0</b>	<b>100.0%</b>	<b>37.3</b>	<b>9.6%</b>	<b>31.5</b>	<b>9.0%</b>	

## 1. Revenues

In the first quarter of 2024, the revenues from sales and services of the group decreased to **THB 351.6 mil** from **THB 388.9 mil** or by **9.6%** compared to the previous quarter. In addition, **71.2%** of revenue was from overseas, while **28.8%** was from domestic.

The revenue from Thailand and Singapore dropped by **29.7%** and **11.9%**, respectively while the revenue of Malaysia, Vietnam, and the Philippines was growing 100.0%, 41.0%, and 39.5%, respectively.

In quarter 1/2024, the group has launched 3 new games; Black Moon which has been operated in SEA, Immortal Kingdom which has been operated in Vietnam (First launching in Thailand in 2023), and Super Samkok Awakening which has been operated in late March 2024 in Thailand. However, the Black Moon is less popular than expected, and the delay of launching the Super Samkok Awakening, resulting in lower revenue compared to the previous quarter.

When categorized revenue by platform, the revenue from PC was **72.9%** of total revenue, declining from **74.0%**, while the revenue from mobile was **27.1%** of total revenue, increasing from **26.0%** and aligning to expand market share in the mobile platform.

## 2. Cost of Goods Sold

The costs of goods sold in the first quarter of 2024 were **THB 160.0 mil** which decreased from **THB 180.4 mil** or declined by **11.3%** compared to the previous quarter. The decline in the costs of goods sold was from the decrease in royalty fees and service fees which varied with the revenue.



### 3. Gross Profit

Gross profit for the first quarter of 2024 was **THB 191.5 mil**, decreased by **8.1%** or from **THB 208.4 mil** compared to the previous quarter. The main reason was from the Black Moon is less popular than expected, and the delay in launching the Super Samkok Awakening, resulting in lower gross profit compared to the previous quarter.

### 4. Selling and Admin Expenses

Selling and admin expenses for the first quarter of 2024 were **THB 113.1 mil** or drop by **19.0%** from **THB 139.7 mil** in the previous quarter. Most of the decline in these expenses was from the decrease in the channel fees from the App Store and Play Store by **38.0%** even though the portion of revenue from mobile platforms increased but the revenue from mobile platform was declined overall. However, the marketing expenses rose by **22.2%** because of the new game launching in this quarter. In addition, this quarter the group did not have a game impairment and a game write-off, resulted in lower selling and admin expenses.

### 5. Net Profit (Loss)

In the first quarter of 2024, the group had a net profit of **THB 76.9 mil** or **21.9%** of revenues, which increased from **THB 63.4 mil** or by **21.3%** compared to the previous quarter. Despite the revenue is declined, but the selling and admin expenses also decrease, and there were not any game impairment expenses and a game write-off in this quarter, also gain on foreign exchange **THB 14.0 mil**, resulted in higher net profit compared to the previous quarter.

Kindly be informed accordingly.

Yours faithfully,

Mr. Chawanin Tritavornyueng  
Group Finance and Account Director