



Nov 11, 2022

Subject: Management Discussion and Analysis of the operating results for Quarter 3/2022

To President
The Stock Exchange of Thailand

Asiasoft Corporation Public Company Limited (“the Company”) has submitted the financial statements of the Company and subsidiaries for Quarter 3/2022 ended September 30, 2022, and 9 months period ended September 30, 2022, which was reviewed by our Auditor, Mazars Limited and approved by the Board of Directors on November 11, 2022.

Key Highlights for Q3/2022 vs Q2/2022

- Revenue increased by 1.3%
- Gross profit decreased by 8%
- Net profit decreased by 22.6%

Summary of Q3/2022

Asiasoft is able to maintain positive growth momentum as a result of proper planning and the dynamic behaviour of the company.

Unit : Million Baht	Profit & Loss for 3 months ended Sep 30, 2022 and 2021 and 30 June 2022									
Financial Statement	Q3/2022	%	Q2/2022	%	Q3/2021	%	Variance QoQ	%	Variance YoY	%
Revenues from sales and services	404.2	100.0	399.0	100.0	503.0	100.0	5.2	1.3	(98.8)	(19.6)
Cost of sales and services	(217.3)	(53.8)	(195.9)	(49.1)	(213.7)	(42.5)	(21.4)	10.9	(3.6)	1.7
Gross Profit (Loss)	186.9	46.2	203.1	50.9	289.3	57.5	(16.2)	(8.0)	(102.4)	(35.4)
Selling & Admin Expenses	(128.5)	(31.8)	(102.2)	(25.6)	(129.2)	(25.7)	(26.3)	25.7	0.7	(0.5)
Operating Profit (Loss) *	58.4	14.4	100.9	25.3	160.1	31.8	(42.5)	(42.1)	(101.7)	(63.5)
Others	9.6	2.4	(13.0)	(3.3)	(26.7)	36.5	22.6	(173.8)	36.3	(136.0)
Net Profit (Loss) **	68.0	16.8	87.9	22.0	133.4	26.5	(19.9)	(22.6)	(65.4)	(49.0)

Unit : Million Baht	Profit & Loss for 9 months ended Sep 30, 2022 and 2021					
Financial Statement	9 months 2022	%	9 months 2021	%	Variance YoY	%
Revenues from sales and services	1,207.0	100.0	1,359.9	100.0	(152.9)	(11.2)
Cost of sales and services	(608.7)	(50.4)	(606.8)	(44.6)	(1.9)	0.3
Gross Profit (Loss)	598.3	49.6	753.1	55.4	(154.8)	(20.6)
Selling & Admin Expenses	(365.8)	(30.3)	(338.0)	(24.9)	(27.8)	8.2
Operating Profit (Loss) *	232.5	19.3	415.1	30.5	(182.6)	(44.0)
Others	26.1	2.2	(66.9)	(4.9)	93.0	(139.0)
Net Profit (Loss) **	258.6	21.4	348.2	25.6	(89.6)	(25.7)

1. Revenues

Revenues from sales and services for the 3rd quarter of 2022 were **Baht 404.2 million**, an increase from the previous quarter by **1.3%** due to a significant increase from Singapore and Vietnam subsidiaries while a



decrease of **19.6%** from the same quarter as the previous year was caused mainly by the decrease in revenue from the Philippines and Malaysia.

In addition, in the 9 months that ended September 30, 2022, the revenue was **Baht 1,207 million**, a decrease from the previous year in the same period by **11.2%** due to the quarter 3rd 2021 the company launched a big IP game called “Cabal mobile” which received great results.

The company strongly believes that with the game-launching pipeline both domestically and overseas the throughout the year 2022, the Company should be able to maintain a consistent level of revenue. The structure of revenue from sales and services in the 3rd quarter of 2022 for the domestic and overseas markets is 27.2 %: 72.8%

Unit: Million Baht	Profit & Loss for 3 months ended Sep 30, 2022 and 2021 and 30 June 2022									
Revenue by country	Q3/2022	%	Q2/2022	%	Q3/2021	%	Variance QoQ	%	Variance YoY	%
Thai	110	27.2%	126	31.6%	120	23.8%	(16)	-13%	(10)	-8%
Singapore	170	42.1%	145	36.3%	166	33.0%	25	17%	4	2%
Malaysia	34	8.3%	47	11.8%	84	16.8%	(13)	-28%	(51)	-60%
Philippines	46	11.5%	54	13.5%	133	26.4%	(8)	-14%	(87)	-65%
Vietnam	44	10.8%	27	6.8%	-	0.0%	17	62%	44	100%
Others	-	0.0%	-	0.0%	-	0.0%	-	0%	-	0%
Total	404	100%	399	100%	503	100%	5	1%	(99)	-20%

2. Cost of Goods Sold

The Cost of Goods Sold for the 3rd quarter of 2022 was **Baht 217.3 million**, which decreased by 10.9% due to the write of game license fees for 2 games from Thailand and Malaysia subsidiaries for Baht 1.6 million and Baht 2.3 million, respectively, while the same level as the same period of the previous year.

In addition, the COGS for 9 months period ended September 30, 2022, was **Baht 608.7 million** which is the same level as the prior year.

3. Gross Profit

Gross profit for the 3rd quarter of 2022 was **Baht 186.9 million** or **46.2%** of revenues from sales and services, which decreased by **8%** from the prior quarter due to the one-time items regarding write-off game license fees for 2 games during Q3, while a decrease of **35.4%** from the same quarter of the previous year, due to a decrease in revenue.

In addition, the gross profit for 9 months ended 30 September 2022 was **Baht 598.3 million** which decrease by 20.9 % as the previous year with the same period due to a significant decrease in revenue

4. Selling and Admin Expenses

Selling and Admin Expenses for the 3rd quarter of 2022 was **Baht 128.5 million**, an increase from the previous quarter by **25.7%** mainly due to an increase in marketing expenses from new game launches during the 3rd quarter of 2022 both domestic and overseas which are Elyon, 9song and Dream of the New World. The upfront and pre-marketing expenses for the new game launch are around 70-80% of the total game marketing budget during the first 1-2 months of the game launch.

In addition, the selling and admin expenses for 9 months ended 30 September 2022 was Baht 365.8 million which decreased by 8.2% from the previous year with the same period due to the significant increase in marketing expenses as during the first 9 months of 2022 the company launched 6 games while during the previous year with the same period launch only 1 game



5. Net Profit

During the quarter 3rd of 2022, the Company has a net profit of **Baht 68 million** or **16.8%** of revenue from revenues, a drop of **22.6%** from the previous quarter due to the marketing expense from launching 3 new games during this period

In addition, the net profit for 9 months ended September 30, 2022, amounting to Baht 258.6 million which decrease by 25.7 % from the previous year in the same period due to the significant decrease in revenue and increase in marketing spending

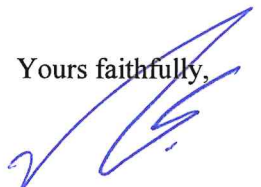
6. Digital Assets

As of 30 September 2022, the company do not have any position on digital assets.

Kindly be informed accordingly.



Yours faithfully,


Mr. Pramoth Sudjitporn
Chairman