



บริษัท รุ่งเรืองตลอดไป จำกัด (มหาชน)  
Glory Forever Public Company Limited

NO. GLORY 2023-010

November 09, 2023

Subject: The Management Discussion and Analysis for 9-Month Period Ending 30 September 2023

To: President  
The Stock Exchange of Thailand

Glory Forever Public Company Limited (“The Company”) and its group of companies (“The Group”) hereby provide the Management Discussion and Analysis for 9--months of 2023 as follow:

**Revenue from sales and services**

Over the 9-months period ending 30 September 2023, the Group generated sales and service revenue of 63.76 million Baht — an decrease from the same period of last year by 17.64 million Baht, representing a decline of 22 % as competition in the industry intensifies.

**Other income**

The Group's other income predominantly consists of top-up fees from Jinovel and Kawebook platforms, bank deposit interest, returns from investment in liquid assets, rental income, and ERP system consulting fees. The total other income for this period was 2.97 million Baht, accounting for 5% of the total income for the same period — a slight decrease by 0.01 million Baht or by 3% from other income in 9-months of 2022.

**Cost of sales and services**

For 9-months of 2023, the Group recorded a cost of sales and services of 42.29 million Baht, representing 66% of the total revenue in the same period — an increase from the same period of the previous year by 4.07 million Baht or 11%. The rise was primary due to the elevated cost of products that the Group launched and the cost of services, a significant portion of which involved purchasing copyrights amortized evenly over the period the company that holds the rights. This resulted in a timing disparity between revenue recognition and cost overtime. The Group's main service costs consist of fixed costs such amortization costs, website maintenance costs, and variable costs such as translation costs, proofreading fees, remuneration for novel authors, and others.

In addition, the Group developed a new product, Alisa, representing Thailand’s first Generative AI, which was introduced to the public in late March. As of now, Alisa has attracted a user base of 1.9 millions in Thailand. This AI, offers



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two main features: as a language model, it engages in a comprehensible conversation with humans, and as an image generator, it creates visuals. These bifunctional abilities are integrated into a single AI system. Equipped with the latest data, Alisa can significantly reduce human work hours. Examples of its notable abilities include drafting advertisements, strategic planning, providing consultation, brainstorming, coding, assisting in research, marketing, as well as teaching, and summarizing information from files or websites automatically, among others.

The gross profit for the Group during 9-months of 2023 was 21.47 million Baht, translating to a gross profit margin of 34% of the service revenue for the same period. This compares to a gross profit margin of 68% for the same period of 2022. The decline in gross profit is linked to the Group's investment in the initial stages of Alisa's development, which normally involves a higher cost that would eventually diminish.

### **Distribution and administrative expenses**

The Group's selling expenses for 9-months of 2023 totaled to 17.96 million Baht, representing 28% of the Group's total revenue — an increase from the same period last year by 13.46 million Baht. The main factors contributing to the rise in expenses were the costs of sales, advertising expenses and marketing initiative, related to the new product, Alisa, Generative AI. At this stage, this product requires a considerable budget, which is anticipated to decrease over time.

The Group's administrative expenses for 9-months of 2023 came to 41.17 million Baht — an increase rate of 21.58 million Baht compared to the same period last year. The primary factor for this increase was the realization of losses from Stark bonds, in which the Group had invested 16 million Baht. During this period, the Group, with substantial cash flow, sought to manage cash by investing in low-risk assets such as funds and bonds to generate a return higher than a regular deposit interest. At the time, the Group invested in several assets, including Stark bonds due to their BBB+ Company Rating, signifying Investment Grade, and the recommendation of the Group's financial advisor, Kiatnakin Phatra Bank.

However, following the issue with the Stark bonds, the Group gradually began to sell off other bonds, as per its resolution. This main objective for investing in funds and bonds was to manage liquidity for a return exceeding the regular deposit interest, rather than primarily seeking profit from this segment. Nonetheless, the Group still adheres to its investment policy, emphasizing the primary focus on investments within the Group's core business.

Additionally, there were increased expenses in the form of subsidiary company's administrative costs, employee-related expenses, and costs associated with the disposal of intangible assets which arose due to an increasing number of copyrights held by the Group.



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**Net profit**

For 9-months of 2023, The Group had a loss profit of 33.54 million Baht — a decrease from the same period of the previous year. The principal causes for the decline in the Group's net profit were the losses incurred from Stark bonds and the costs related to the initial stage development and market launch of the Group's new product, Alisa, Generative AI.

**Financial position**

**Asset**

As of 30 September 2023, the Group had total assets of 288.29 million Baht, a decrease of 67.29 million Baht or 19%, compared to 31 December 2022. The primary factors for this decline were the investment in the Group's new product, Alisa, Generative AI, the provision for Stark bonds' debt, collections from trade receivables, investment in a joint venture, and increased tangible assets from the acquisition of additional copyrights.

**Liability**

As of 30 September 2023, the Group had total liabilities of 17.81 million baht, constituting 6% of the total liabilities and shareholders' equity. The total liabilities decreased by 17.55 million baht or 50%, compared to 31 December 2022. The primary cause was trade payables and other payables arising from normal business operations that have not yet reached the payment due date.

**Equity**

As of 30 September 2023, the Group's shareholders' equity was 270.48 million baht, representing 94% of the total liabilities and shareholders' equity. The shareholders' equity saw a decrease of 49.74 million baht compared to the shareholders' equity as of 31 December 2022. This was attributable to the loss from the company's operations for 9-months of 2023, totaling 33.54 million baht. As a result, the Group declared a dividend for the year 2022 amounting to 16.20 million baht.

Please be informed accordingly.

Yours sincerely,

MR. JARUNPAT BOONYANG

Chief Executive Officer