

No. ADD 22/2023

9 November 2023

Subject: Management discussion and analysis for the performance for the nine-month period ended 30 September 2023

To: President

The Stock Exchange of Thailand

AddTech Hub Public Company Limited's (the "Company") Board of Directors Meeting No. 7/2023 held on 9 November 2023 passed a resolution to certify the financial statements and the performance for the nine-month period ended 30 September 2023 which was reviewed by the auditor.

The Company's overall performance can be summarized as follows:

Performance (Statement of comprehensive income)	Three-month Period				Nine-month Period			
	3Q2022	3Q2023	Inc.(Dec.)	% Inc.(Dec.)	9M2022	9M2023	Inc.(Dec.)	% Inc.(Dec.)
Services income	72.11	91.59	19.48	27.02%	262.20	218.46	(43.74)	-16.68%
Cost of rendering of services	(51.49)	(67.57)	(16.09)	31.24%	(185.16)	(168.09)	17.07	-9.22%
Gross profit	20.62	24.02	3.40	16.48%	77.04	50.37	(26.66)	-34.61%
Other income	0.31	0.34	0.04	12.27%	1.60	0.89	(0.70)	-43.94%
Services expenses	(1.31)	(1.27)	0.04	-3.11%	(3.84)	(3.62)	0.22	-5.78%
Administrative expenses	(7.89)	(9.06)	(1.17)	14.79%	(23.69)	(27.54)	(3.85)	16.25%
Other expenses	(0.69)	(2.29)	(1.59)	230.74%	(2.16)	(4.54)	(2.38)	110.40%
Profit from operating activities	11.03	11.74	0.71	6.48%	48.96	15.58	(33.37)	-68.17%
Share of gain of investments in associ	(0.04)	(0.40)	(0.35)	836.84%	2.85	(2.01)	(4.86)	-170.47%
Finance costs	(0.04)	(0.08)	(0.04)	100.61%	(0.18)	(0.22)	(0.05)	25.73%
Profit before income tax expense	10.95	11.26	0.32	2.92%	51.63	13.35	(38.28)	-74.14%
Income tax expense	(1.65)	(1.31)	0.34	-20.57%	(7.47)	(2.31)	5.17	-69.14%
Profit for the period	9.29	9.95	0.66	7.10%	44.16	11.05	(33.11)	-74.98%
Other comprehensive income for the p	-	-	-	N/A	-	-	-	N/A
Total comprehensive income for the pe	9.29	9.95	0.66	7.10%	44.16	11.05	(33.11)	-74.98%
Gross profit margin	28.60%	26.22%			29.38%	23.06%		
Net profit margin	12.89%	10.86%			16.84%	5.06%		

### Services income and Cost of rendering of services

Services income can be grouped in 3 segments: 1. Digital content 2. Information technology solutions  
3. Online advertising. The details of Services income and Cost of rendering of services are as follows:

Services income and Cost of rendering of services

Unit: THB Million

Services income and Cost of rendering of services	Three-month Period				Nine-month Period			
	3Q2022	3Q2023	Inc.(Dec.)	% Inc.(Dec.)	9M2022	9M2023	Inc.(Dec.)	% Inc.(Dec.)
<b>Providing digital content</b>								
Services income	58.67	75.66	17.00	28.97%	216.33	182.72	(33.61)	-15.54%
Cost of rendering of services	(41.75)	(56.76)	(15.01)	35.96%	(157.35)	(135.99)	21.35	-13.57%
Gross profit	16.92	18.91	1.98	11.73%	58.98	46.73	(12.25)	-20.78%
Gross profit margin	28.84%	24.99%			27.26%	25.57%		
<b>Providing information technology solutions</b>								
Services income	13.18	15.79	2.60	19.75%	45.13	35.23	(9.90)	-21.95%
Cost of rendering of services	(9.03)	(10.14)	(1.11)	12.25%	(25.68)	(29.98)	(4.30)	16.73%
Gross profit	4.15	5.65	1.50	36.08%	19.45	5.25	(14.20)	-73.01%
Gross profit margin	31.48%	35.77%			43.10%	14.90%		
<b>Providing online advertising</b>								
Services income	0.26	0.14	(0.12)	-45.27%	0.74	0.52	(0.22)	-30.21%
Cost of rendering of services	(0.71)	(0.67)	0.03	-4.70%	(2.13)	(2.12)	0.02	-0.72%
Gross profit	(0.45)	(0.53)	(0.08)	18.66%	(1.39)	(1.60)	(0.21)	15.00%
Gross profit margin	-173.64%	-376.46%			-187.64%	-309.20%		

Services income from digital content

In 3Q2023, the Company had services income from digital content of THB 75.66 million, increased by THB 17.00 million or +28.97% YoY, due to the increase in average user spending on digital content services. This was mainly due to the increase in marketing promotion activities of mobile operators after the consolidation within the industry became clear. In addition, the Company had gross profit from digital content of THB 18.91 million, increased by THB 1.98 million or +11.73% YoY. The gross profit margin in 3Q2023 was 24.99%, decreased from 28.84% in 3Q2022.

In 9M2023, the Company had services income from digital content of THB 182.72 million, decreased by THB 33.61 million or -15.54% YoY, due to the decline in average user spending on digital content services in the first 6 months of 2023. The main reason for the decline in user spending was the inflationary situation of the country's economy, causing the consumer purchasing power to decrease, together with the concerns of users about future inflation. As a result, users were more cautious in their spending. The gross profit from digital content

was THB 46.73 million, decreased by THB 12.25 million or -20.78% YoY. The gross profit margin in 9M2023 was 25.57%, decreased from 27.26% in 9M2022.

#### Services income from information technology solutions

In 3Q2023, the Company had services income from information technology solutions of THB 15.79 million, increased by THB 2.60 million or +19.75% YoY, due to the increase in marketing promotion activities of mobile operators after the consolidation within the industry became clear. In addition, gross profit from information technology solutions was THB 5.65 million, increased by THB 1.50 million or +36.08% YoY. The gross profit margin in 3Q2023 was 35.77%, increased from the gross profit margin of 31.48% in 3Q2022, due to the additional services available since June 2023 which clearly began to generate income in 3Q2023.

In 9M2023, the Company had services income from information technology solutions of THB 35.23 million, decreased by THB 9.90 million or -21.95% YoY, due to the decline in user spending through the solutions that the Company provided for clients in mobile operator sector. In addition, gross profit from information technology solutions was THB 5.25 million, decreased by THB 14.20 million or -73.01% YoY. The gross profit margin in 9M2023 was 14.90%, decreased from the gross profit margin of 43.10% in 9M2022, due to the increase in employee-related costs to support the expansion of the team according to the number and scope of services that have increased. The mentioned additional services have been made available since June 2023 and clearly began to generate income in 3Q2023.

#### Services income from online advertising

In 3Q2023, the Company had services income from providing online advertising of THB 0.14 million, decreased by THB 0.12 million or -45.27% YoY, as clients in property development sector decreased their media spending. In addition, gross loss was THB 0.53 million as high proportion of the costs was employee-related costs which were fixed costs. Consequently, in 9M2023, the Company had services income from providing online advertising of THB 0.52 million, decreased by THB 0.22 million or -30.21% YoY, and gross loss of THB 1.60 million, increased from the same period of previous year which the Company had gross loss of THB 1.39 million.

#### Services expenses

In 3Q2023, services expenses were THB 1.27 million, decreased by THB 0.04 million or -3.11% YoY. The main reason was the decrease in marketing expenses. Consequently, in 9M2023, services expenses were THB 3.62 million, decreased by THB 0.22 million or -5.78% YoY.

#### Administrative expenses

In 3Q2023, administrative expenses were THB 9.06 million, increased by THB 1.17 million or +14.79% YoY. This was mainly due to the increase in expenses regarding investments in associate companies. Consequently, in 9M2023, administrative expenses were THB 27.54 million, increased by THB 3.85 million or +16.25% YoY. This was mainly due to the increase in office rent due to office relocation.

#### Other expenses

In 3Q2023, other expenses were THB 2.29 million, increased by THB 1.59 million or +230.74% YoY, mainly due to the increase in credit loss from digital content services. In 9M2023, other expenses were THB 4.54 million, increased by THB 2.38 million or +110.40% YoY, mainly due to the increase in credit loss.

#### Profit from operating activities

In 3Q2023, profit from operating activities was THB 11.74 million, increased by THB 0.71 million or +6.48% YoY, mainly due to the increase in income from digital content services and income from information technology solutions. As a result, in 9M2023, profit from operating activities was THB 15.58 million, a decrease from the same period of last year of THB 33.37 million or -68.17% YoY, mainly due to the decrease in income from digital content and income from information technology solutions.

#### Share of gain of investments in associates

In 3Q2023, share of loss of investments in associates was THB 0.40 million, increased by THB 0.35 million or +836.84% YoY. This was mainly due to the Company's amortization of intangible assets arising from the purchase of investments in associate companies and the result of associate companies' delayed revenue recognition due to the delay in delivery of work. Consequently, in 9M2023, share of loss of investments in associates was THB 2.01 million, decreased from share of gain of investments in associates of THB 2.85 million in 9M2022.

#### Finance costs

In 3Q2023, finance costs were THB 0.08 million, which was close to the same period of last year. In 9M2023, finance costs were THB 0.22 million, which was also close to the same period of last year.

### Income tax expense

In 3Q2023, income tax expense was THB 1.31 million, decreased by THB 0.34 million or -20.57% YoY, as the increase in profit before income tax expense was partially profit that received tax benefits. In 9M2023, income tax expense was THB 2.31 million, decreased by THB 5.17 million or -69.14% YoY, due to the decrease in profit before income tax expense.

### Profit/(Loss) for the period

In 3Q2023, the Company's profit for the period was THB 9.95 million, increased by THB 0.66 million or +7.10% YoY, mainly due to the increase in services income. Consequently, in 9M2023, profit for the period was THB 11.05 million, decreased by THB 33.11 million or -74.98% YoY. This was mainly due to the decrease in services income while administrative expenses increased.

### Financial Position

Unit: THB Million

Financial Position	As at 31 December 2022	As at 30 September 2023	Increase/ (Decrease)	% Inc.(Dec.)
Total assets	606.12	612.75	6.62	1.08%
Total liabilities	73.57	81.94	8.38	10.22%
Total equity	532.56	530.80	(1.75)	-0.33%

### Total assets

Total assets were mainly consisted of cash and cash equivalents, investment in associates and trade and other receivables and contract assets. As at 31 December 2022 and 30 September 2023, total assets were THB 606.12 million and THB 612.75 million, respectively. Total assets increased by THB 6.62 million or +1.08% mainly due to trade and other receivables and contract assets increased in line with the increase in services income from digital content services in 3Q2023.

### Total liabilities

Total liabilities were mainly consisted of trade and other payables. As at 31 December 2022 and 30 September 2023, total liabilities were THB 73.57 million and THB 81.94 million, respectively. Total liabilities increased by THB 8.38 million or +10.22% mainly due to the increase in trade and other payables in line with the increase in cost of digital content services in 3Q2023.

Total equity

Total equity as at 31 December 2022 and 30 September 2023 were THB 532.56 million and THB 530.80 million, respectively. Total equity decreased by THB 1.75 million or -0.33% due to the Company's net profit for the nine-month period ended 30 September 2023 was THB 11.05 million while the Company paid dividends to shareholders of THB 12.80 million in the first nine-month period of 2023.

Sincerely yours,

*-Sompoch Tanutantivong-*

(Mr. Sompoch Tanutantivong)

Director and Chief Financial Officer