

No. ADD 12/2024

10 May 2024

Subject: Management discussion and analysis for the performance for the three-month period ended 31 March 2024

To: President

The Stock Exchange of Thailand

AddTech Hub Public Company Limited's (the "Company") Board of Directors Meeting No. 3/2024 held on 10 May 2024 passed a resolution to certify the financial statements and the performance for the three-month period ended 31 March 2024 which was reviewed by the auditor.

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

Performance (Statement of comprehensive income)	Three-month Period			
	1Q2023	1Q2024	Inc.(Dec.)	% Inc.(Dec.)
Services income	64.81	79.00	14.20	21.91%
Cost of rendering of services	(51.03)	(56.57)	(5.54)	10.86%
<b>Gross profit</b>	<b>13.78</b>	<b>22.43</b>	<b>8.65</b>	<b>62.81%</b>
Other income	0.30	1.37	1.07	356.61%
Services expenses	(1.20)	(1.24)	(0.04)	3.27%
Administrative expenses	(9.11)	(8.85)	0.26	-2.81%
Other expenses	(1.15)	(0.94)	0.22	-18.70%
<b>Profit from operations</b>	<b>2.62</b>	<b>12.78</b>	<b>10.16</b>	<b>387.57%</b>
Share of loss of investments in associates	(0.17)	(5.03)	(4.85)	2774.46%
Finance costs	(0.06)	(0.10)	(0.04)	67.00%
<b>Profit before income tax expense</b>	<b>2.38</b>	<b>7.65</b>	<b>5.26</b>	<b>220.74%</b>
Income tax expense	(0.46)	(1.20)	(0.75)	163.65%
<b>Profit for the period</b>	<b>1.93</b>	<b>6.45</b>	<b>4.52</b>	<b>234.22%</b>
Other comprehensive income	-	-	-	N/A
<b>Total comprehensive income for the period</b>	<b>1.93</b>	<b>6.45</b>	<b>4.52</b>	<b>234.22%</b>
Gross profit margin	21.26%	28.40%		
Net profit margin	2.98%	8.16%		

Services income and Cost of rendering of services

The Company's services income can be grouped in 3 segments: 1. Digital content 2. Digital solutions 3. 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	3-month period			
	1Q2023	1Q2024	Inc./Dec.)	% Inc./Dec.)
<b>Digital content</b>				
Services income	54.26	59.26	5.00	9.22%
Gross profit	14.04	14.85	0.81	5.78%
Gross profit margin	25.87%	25.05%		
<b>Digital solutions</b>				
Services income	10.23	19.59	9.36	91.55%
Gross profit	0.16	8.36	8.20	5030.43%
Gross profit margin	1.59%	42.69%		
<b>Advertising</b>				
Services income	0.32	0.15	(0.17)	-52.56%
Gross profit	(0.42)	(0.78)	(0.36)	85.00%
Gross profit margin	-132.03%	-514.82%		

Services income from digital content

In 1Q/2024, the Company had services income from digital content of THB 59.26 million, increased by THB 5.00 million or +9.22% YoY. The main reason for the increase in user spending was due to the increase in marketing and promotional activities of mobile operators. In addition, the Company had gross profit from digital content of THB 14.85 million, increased by THB 0.81 million or +5.78% YoY. The gross profit margin in 1Q/2024 was 25.05%, a slight decrease from 25.87% in 1Q/2023.

Services income from digital solutions

In 1Q/2024, the Company had services income from digital solutions of THB 19.59 million, increased by THB 9.36 million or +91.55% YoY. The main reason for the increase in user spending was due to the increase in marketing and promotional activities of mobile operators. In addition, the Company had gross profit from digital solutions of THB 8.36 million, increased by THB 8.20 million or +5030.43% YoY. The gross profit margin in 1Q/2024

was 42.69%, increased from 1.59% in 1Q/2023 as high proportion of the costs was employee-related costs which were fixed costs.

#### Services income from advertising

In 1Q/2024 the Company had services income from advertising of THB 0.15 million, decreased by THB 0.17 million or -52.56% YoY. Gross loss was THB 0.78 million as high proportion of the costs was employee-related costs which were fixed costs.

#### **Other income**

In 1Q/2024, other income was THB 1.37 million, increased by THB 1.07 million or +356.61% YoY mainly due to the interest on short-term loans to related parties.

#### **Services expenses**

In 1Q/2024, services expenses were THB 1.24 million, increase of THB 0.04 million or +3.27% YoY mainly due to the increase in marketing expenses.

#### **Administrative expenses**

In 1Q/2024, administrative expenses were THB 8.85 million, decrease of THB 0.26 million or -2.81% YoY.

#### **Other expenses**

In 1Q/2024, other expenses were THB 0.94 million, decrease of THB 0.22 million or -18.70% YoY mainly due to the decrease in credit loss from digital content services.

#### **Profit from operations**

In 1Q/2024, profit from operations was THB 12.78 million, increase of THB 10.16 million or +387.57% YoY mainly due to the increase of services income from digital content and digital solutions.

#### **Share of loss of investments in associates**

In 1Q/2024, share of loss of investments in associates was THB 5.03 million, increased by THB 4.85 million or +2774.46% YoY. This was mainly due to the net loss of each associated company with higher expenses from the increase in number of employees while projects in operations had been delayed as well as the Company's amortization of fair value of intangible assets arising from investments in associates.

#### Finance costs

In 1Q/2024, finance costs were THB 0.10 million, a slight increase of THB 0.04 million YoY.

#### Income tax expense

In 1Q/2024, income tax expense was THB 1.20 million, increase of THB 0.75 million or +163.65% YoY due to an increase in profit before income tax expense.

#### Profit for the period and Total comprehensive income for the period

In 1Q/2024, profit for the period and total comprehensive income for the period were THB 6.45 million, increase of THB 4.52 million or +234.22% YoY mainly due to the increase of services income from digital content and digital solutions.

#### Financial Position

Unit: THB Million

Financial Position	As at 31 December 2023	As at 31 March 2024	Increase/ (Decrease)	% Increase/ (Decrease)
Total assets	634.66	635.29	0.63	0.10%
Total Liabilities	84.21	78.39	(5.82)	-6.91%
Total Equity	550.45	556.90	6.45	1.17%

#### Total assets

Total assets were mainly consisted of cash and cash equivalents and investment in associates. As at 31 March 2024, total assets were THB 635.29 million, increase of THB 0.63 million or +0.10% from 31 December 2023.

#### Total liabilities

Total liabilities were mainly consisted of trade and other current payables. As at 31 March 2024, total liabilities were THB 78.39 million, decrease of THB 5.82 million or -6.91% from 31 December 2023 mainly due to decrease of trade and other current payables.

Total equity

Total equity as at 31 March 2024 was THB 556.90 million, increase of THB 6.45 million or +1.17% from 31 December 2023 mainly due to the increase in retained earnings according to the Company's profit for the three-month period ended 31 March 2024.

Sincerely yours,

*-Sompoch Tanutantivong-*

(Mr. Sompoch Tanutantivong)

Director and Chief Financial Officer