No. ADD 5/2021

10 August 2021

Subject: Management discussion and analysis for the performance for the six-month period ended 30 June 2021

To: President

The Stock Exchange of Thailand

AddTech Hub Public Company Limited's (the "Company") Board of Directors Meeting No. 4/2021 held on 10 August 2021 passed a resolution to certify the financial statements and the performance for the six-month period ended 30 June 2021 which was reviewed by the auditor.

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

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99/9 12th Floor Unit 1204-5 Moo 2 Chaengwattana Road, Bangtalat, Pakkret, Nonthaburi 11120 (Registration No. 0107562000068)
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Unit: Baht

Performance (Statement of comprehensive income)	2Q2021	2Q2020	Increase/ (Decrease)	%
Services income	262,778,929	149,190,243	113,588,686	76.1
Cost of rendering of services	(179,704,369)	(95,392,404)	(84,311,965)	88.4
Gross profit	**83,074,560**	**53,797,839**	**29,276,721**	**54.4**
Other income	146,423	56,781	89,642	157.9
Selling expenses	(4,337,810)	(2,445,315)	(1,892,495)	77.4
Administrative expenses	(20,445,140)	(12,801,412)	(7,643,728)	59.7
Share of gain on investments in associate	68,332	27,820	40,512	145.6
Finance costs	(161,394)	(123,982)	(37,412)	30.2
Profit before income tax expense	**58,344,971**	**38,511,731**	**19,833,240**	**51.5**
Income tax expense	(7,285,802)	(7,032,562)	(253,240)	3.6
Profit for the period	**51,059,169**	**31,479,169**	**19,580,000**	**62.2**
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**51,059,169**	**31,479,169**	**19,580,000**	**62.2**
Gross profit margin	31.6%	36.1%		
Net profit margin	19.4%	21.1%		

Services income and Cost of rendering of services

Services income can be grouped in 3 segments: 1. providing digital content via telecommunication channels 2. providing information technology solutions for electronic devices 3. providing online advertising for products and services. The details of Services income and Cost of rendering of services are as follows:

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Unit: Baht

	2Q2021	2Q2020	Increase/ (Decrease)	%
Providing digital content via telecommunication channels				
Services income	226,018,189	118,662,080	107,356,109	90.5
Cost of rendering of services	(164,818,213)	(84,382,843)	(80,435,370)	95.3
Gross profit	61,199,976	34,279,237	26,920,739	78.5
Gross profit margin	27.1%	28.9%		
Providing information technology solutions for electronic devices				
Services income	36,572,448	30,268,495	6,303,953	20.8
Cost of rendering of services	(13,538,165)	(9,281,381)	(4,256,784)	45.9
Gross profit	23,034,283	20,987,114	2,047,169	9.8
Gross profit margin	63.0%	69.3%		
Providing online advertising for products and services				
Services income	188,292	259,668	(71,376)	(27.5)
Cost of rendering of services	(1,347,991)	(1,728,180)	380,189	(22.0)
Gross profit	(1,159,699)	(1,468,512)	308,813	(21.0)
Gross profit margin	-615.9%	-565.5%		

Services income from providing digital content via telecommunication channels

Services income from providing digital content via telecommunication channels was Baht 226 million, increasing +90.5% YoY as the Company expanded its network of marketing partners via online channel to allow greater access to more diverse group of mobile users. Gross profit was Baht 61.2 million, increasing +78.5% YoY. The gross profit margin decreased as high proportion of the costs was revenue sharing costs to marketing partners which vary according to the income and new marketing partners via online channel commanded higher revenue sharing ratios.

Services income from providing information technology solutions for electronic devices

Services income from providing information technology solutions for electronic devices was Baht 36.6 million, increasing +20.8% YoY. This was due to the Company's launch of a new project for a client in a mobile

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operator group. Gross profit was Baht 23 million, increasing +9.8% YoY. The gross profit margin decreased as the total of cloud service costs and employee-related costs increased by Baht 3.7 million.

Services income from providing online advertising for products and services

Services income from providing online advertising for products and services was Baht 0.2 million, decreasing -27.5% YoY as clients in property development sector cut their media spending due to the situation of Coronavirus disease 2019 (COVID-19) outbreak. Gross loss was Baht 1.2 million as high proportion of the costs was employee-related costs which are fixed costs.

Selling expenses

Selling expenses were Baht 4.3 million, increasing +77.4% YoY due to promotional activities to promote the Company's information during Initial Public Offering (IPO) period in May 2021.

Administrative expenses

Administrative expenses were Baht 20.4 million, increasing +59.7% YoY as both actual credit loss and expected credit loss totaling Baht 6.1 million were reclassified to Administrative expenses beginning from the 1st quarter of 2021.

Finance costs

Finance costs were Baht 0.2 million, increasing +30.2% YoY as value of the lease liabilities increased when compared to the same period of the previous year.

Income tax expense

Income tax expense was Baht 7.3 million, increasing +3.6% YoY as high proportion of the increase in Profit before income tax expense was derived from subsidiaries' promoted operations, which were exempt from corporate income tax.

Profit for the period and Total comprehensive income for the period

Profit for the period and Total comprehensive income for the period were Baht 51.1 million, increasing +62.2% YoY. However, the net profit margin decreased from 21.1% in the previous year to 19.4% in this year mainly due to the expansion of services in providing digital content via telecommunication channels.

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Financial Position

Unit: Baht

Financial Position	As at 30 June 2021	As at 31 December 2020	Increase/ (Decrease)	%
Total assets	654,819,413	183,216,265	471,603,148	257.4
Total liabilities	99,971,555	92,656,186	7,315,369	7.9
Total equity	554,847,858	90,560,079	464,287,779	512.7

Total assets

Total assets were Baht 654.8 million, increasing +257.4% compared to as at 31 December 2020 as Cash and cash equivalents increased by Baht 463.1 million from Initial Public Offering (IPO) while Trade and other receivables and contract assets increased by Baht 6.1 million in line with the expansion of services in providing digital content via telecommunication channels.

Total liabilities

Total liabilities were Baht 100 million, increasing +7.9% compared to as at 31 December 2020 as Trade and other payables increased by Baht 9.4 million in line with revenue sharing costs to marketing partners which vary according to the expansion of services in providing digital content via telecommunication channels. However, Income tax payable decreased by Baht 2.3 million as high proportion of the increase in Profit before income tax expense was derived from subsidiaries' promoted operations, which were exempt from corporate income tax.

Total equity

Total equity was Baht 554.8 million, increasing +512.7% compared to as at 31 December 2020 due to Initial Public Offering (IPO) and the Company's net profit for the six-month period ended 30 June 2021 was Baht 51.1 million while the Company paid dividends totaling Baht 16 million to shareholders in March 2021.

Sincerely yours,

(Mr. Sompoch Tanutantivong)
Director and Chief Financial Officer

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