

**Bluebik Group Public Company Limited**
**Management Discussion and Analysis  
For the Six-Month Period Ended 30<sup>th</sup> June 2021**
**Business Overview**

Bluebik Group Public Company Limited (“the Company”) and its subsidiaries is a provider for strategic and digital technology consulting services and other related services for various business sectors. For the 6-month period ended 30 June 2021, the Company and its subsidiaries (the Group) had revenues from (1) Management Consulting accounted for 21.05 percent (2) Strategic project management office (Strategic PMO) accounted for 2.56 percent (3) Digital Excellence and Delivery accounted for 64.08 percent and (4) Big data, advanced analytics and artificial intelligence (AI) accounted for 11.81 percent.

**Financial Performance Summary for the 6-month period ended 30 June 2021**

For the 6-month period ended 30 June 2021, total revenues of the Group amounted to Baht 126.96 million, increased by Baht 35.91 million or increased by 39.47 percent from the same period of previous year. This was because of the growth of revenues from Digital Excellence and Delivery, Big data, advanced analytics and artificial intelligence (AI) and Management Consulting as a result of growth in digital transformation, and the COVID-19 pandemic effects that drive many organizations, especially insurance group and others, to increase their investment in IT.

For the 6-month period of 2021, net profits of the Group amounted to Baht 30.06 million, and net profit margin decreased from the same period of previous year to 23.67 percent. This was mainly due to decrease in gross profit margin because of higher employee expenses in Business Development, Public Relation and Marketing to boost revenues from services, as an effect of COVID-19 pandemic made some customers delayed budgeting, and increase in expenses for preparing for listing on the SET. However, net profit margin in the 6-month period of 2021 was still higher than full year net profit margin in 2020 at 22.06 percent.

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
<b>Revenues</b>				
Revenues from services	91.00	99.95	126.28	99.46
Revenues from sales	-	-	0.64	0.50
Other Income	0.04	0.05	0.04	0.04
<b>Total revenues</b>	<b>91.04</b>	<b>100.00</b>	<b>126.96</b>	<b>100.00</b>
<b>Costs</b>				
Costs of sales and services	(29.54)	(32.44)	(46.15)	(36.35)
Distribution costs	(13.67)	(15.01)	(19.84)	(15.63)
Administrative expenses	(15.68)	(17.23)	(23.53)	(18.53)

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
<b>Total costs</b>	<b>(58.89)</b>	<b>(64.68)</b>	<b>(89.52)</b>	<b>(70.51)</b>
<b>Profit before finance cost and income tax expenses</b>	<b>32.12</b>	<b>35.28</b>	<b>37.41</b>	<b>29.47</b>
Finance cost	(0.18)	(0.20)	(0.29)	(0.23)
Share of loss from investment in joint venture	-	-	(0.26)	(0.20)
<b>Profit before income tax expenses</b>	<b>31.98</b>	<b>35.12</b>	<b>36.89</b>	<b>29.06</b>
Income tax expenses	(5.64)	(6.20)	(6.83)	(5.38)
<b>Profit for the period</b>	<b>26.33</b>	<b>28.92</b>	<b>30.06</b>	<b>23.67</b>

### Revenues, Costs, and Gross profit

Sources of revenues from services and sales are from 4 main businesses including,

1. **Management Consulting** is to develop short-term and long-term strategic business plan (3 – 5 years), develop marketing plan for customers' products, do market research to create competitive strategy, design workflows to reduce redundancy, and restructure the organizations in accordance to the business.
2. **Strategic PMO** is to provide project management services including supervising projects, managing project mechanism, implementing project management to ensure work delivery on timely basis and goal achievements of organizations, and also consulting on process changes by integrating digital transformation.
3. **Digital Excellence and Delivery** is to provide in-depth consulting in comprehensive digital technology suitable to the organizations including designing user experiences and user-system interface (UX/UI) on website or application as well as developing deep technology to solve specific problems within the organizations in order to achieve the goal to enhance work efficiency and business flexibility.
4. **Big data, advanced analytics and artificial intelligence (AI)** is to analyse big data from changes in consumers' behaviors that are more engaging digital technology in their daily lives. In addition, many organizations make decisions basing on data analysis, so they essentially invest more in big data storage and analysis systems.

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
1. Management Consulting	10.84	11.91	26.71	21.05
2. Strategic PMO	16.52	18.15	3.24	2.56
3. Digital Excellence and Delivery	57.39	63.07	81.34	64.08
4. Big data, advanced analytics and artificial intelligence (AI)	6.25	6.87	14.99	11.81
<b>Total revenues from services</b>	<b>91.00</b>	<b>100.00</b>	<b>126.28</b>	<b>99.49</b>
<b>Revenues from sales</b>	<b>-</b>	<b>-</b>	<b>0.64</b>	<b>0.51</b>
<b>Revenues from services and sales</b>	<b>91.00</b>	<b>100.00</b>	<b>126.92</b>	<b>100.00</b>

For the 6-month period of 2021, the proportions of revenues from Digital Excellence and Delivery, Management Consulting, and Big data, advanced analytics and artificial intelligence (AI) increased from the same period of previous year. However, the proportion of revenues from Strategic PMO to total revenues from services decreased from the same period of previous year because, as an effect of COVID-19 pandemic, many organizations delayed investment in various projects and allocated their budget to invest in digital transformation in high priority businesses such as digital development and technology consulting and etc. So revenues from Strategic PMO decreased.

### Revenues and Gross profit for each business

For 6-month period of 2021, gross profit margin of the Group was 63.64 percent and decreased from the same period of previous year at 67.54 percent. The details are as the followings

#### 1. Management Consulting

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Revenues from services	10.84	100.00	26.71	100.00
Costs of services	2.29	21.14	5.38	20.14
<b>Gross profit (loss)</b>	<b>8.55</b>	<b>78.86</b>	<b>21.33</b>	<b>79.86</b>

For the 6-month period of 2021, revenues from Management Consulting amounted to Baht 26.71 million, increased by Baht 15.87 million or increased by 146.39 percent from the same period of previous year. As an effect of COVID-19 pandemic, consumer behaviors rapidly changed, so the Group acquired a big project from a client to study market trend and Customer Journey for developing strategic plan and increasing market share in the industry. In addition, the Group gained more track record, reputation, and expertise in strategic and management consulting business, as a result, the Group reached more customers in a variety of industries. And both existing and new financial institution customers and insurance customers, which were the main customers of the Group, had more confidence in the Group, so overall number of customers increased and revenues continuously increased.

For the 6-month period of 2021, gross profit margin of revenues from Management Consulting business was 79.86 percent which increased from the same period of previous year at 78.86 percent because the Group provided new services that helped top management in strategic management to create flexibility to organization. These projects generated high gross profit margin, also the Group managed the projects efficiently resulting in lower employee expenses.

## 2. Strategic PMO

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Revenues from services	16.52	100.00	3.24	100.00
Costs of services	4.55	27.58	0.99	30.45
<b>Gross profit (loss)</b>	<b>11.96</b>	<b>72.42</b>	<b>2.26</b>	<b>69.55</b>

For the 6-month period of 2021, revenues from Strategic PMO amounted to Baht 3.24 million, decreased by Baht 13.27 million or decreased by 80.36 percent from the same period of previous year. As an effect of COVID-19 pandemic, many organizations delayed investment in various projects and allocated their budget to invest in digital transformation for high priority businesses such as digital development and technology consulting and etc., so revenues from Strategic PMO decreased.

For the 6-month period of 2021, gross profit margin of revenues from Strategic PMO business was 69.55 percent, decreased from the same period of previous year at 72.42 percent. As an effect of COVID-19 pandemic, communication with customers was difficult, resulting in more manpower and time consuming.

## 3. Digital Excellence and Delivery

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Revenues from services	57.39	100.00	81.34	100.00
Costs of services	20.64	35.96	29.97	36.85
<b>Gross profit (loss)</b>	<b>36.75</b>	<b>64.04</b>	<b>51.37</b>	<b>63.15</b>

For the 6-month period of 2021, revenues from Digital Excellence and Delivery amounted to Baht 81.34 million, increased by Baht 23.95 million or increased by 41.73 percent from the same period of previous year. This was mainly because the Group acquired a big project from a financial institution customer to develop mobile application for organizations in making financial transactions. In addition, the Group acquired ongoing work in big project from 2020 to develop mobile application for an insurance customer. This work was additional work from project in 2020 as the Group gained more reputation and track record from work that the Group delivered to the customer.

For the 6-month period of 2021, gross profit margin of revenues from Digital Excellence and Delivery business was 63.15 percent, slightly decreased from the same period of previous year at 64.04 percent. This was because the Group expanded customer base to new industries such as transport and logistics industry, so the Group might set the fee and gross profit margin lower than normal average but suitable with customers' budgets. This would enhance future business opportunity to build the Group's reputation and track record even those project did not generate high gross profit margin. Still, gross profit margin in the 6-month period of 2021 was still higher than full year gross profit margin of 2020 at 59.87 percent.

## 4. Big data, advanced analytics and artificial intelligence (AI)

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Revenues from services	6.25	100.00	14.99	100.00
Costs of services	2.05	32.82	9.25	61.71
<b>Gross profit (loss)</b>	<b>4.20</b>	<b>67.18</b>	<b>5.74</b>	<b>38.29</b>

For the 6-month period of 2021, revenues from Big data, advanced analytics and artificial intelligence (AI) amounted to Baht 14.99 million, increased by Baht 8.73 million or increased by 139.72 percent from the same period of previous year. This was mainly because 1) The effect of COVID-19 pandemic accelerated changes in consumer behavior toward technology and made data bigger. Currently, organizations that understand consumer behavior are the industry leaders, so many organizations focus on investing in Big data analysis to enhance business opportunity, expand customer base, and increase market share 2) The Group gained more track record and reputation in Big data business, so it expanded customer base to a variety of industries resulting in increase in revenues.

For the 6-month period of 2021, gross profit margin of revenues from Big data, advanced analytics and artificial intelligence (AI) business was 38.29 percent, significantly decreased from the same period of previous year at 67.18 percent. This was because the COVID-19 pandemic affected consumer behavior that was essential in data analysis, so the Group had to adjust the works to improve data analysis resulting in delay in some projects and increase in employee expenses for those projects.

**Revenues from sales**

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Revenues from sales	-	-	0.64	100.00
Costs of sales	-	-	0.56	87.37
<b>Gross profits (loss)</b>	<b>-</b>	<b>-</b>	<b>0.08</b>	<b>12.63</b>

For the 6-month period of 2021, revenues from sales of the Group, amounted to Baht 0.64 million or accounted for 0.51 percent of total revenues, were including revenue from sales of computer hardware for using in a customer's project. Revenues from sales of the Group were low because only a few customers ordered devices from the Group.

**Selling expenses**

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Employee expenses	12.14	88.80	17.81	89.77
Utilities expenses	0.29	2.15	0.66	3.34
Outsource fee	0.35	2.59	0.12	0.59
Transportation expenses	0.03	0.23	0.02	0.12
Depreciation and amortization expenses	0.17	1.23	0.37	1.87
Other expenses <sup>1/</sup>	0.68	5.01	0.86	4.32
<b>Total selling expenses</b>	<b>13.67</b>	<b>100.00</b>	<b>19.84</b>	<b>100.00</b>

Note : <sup>1/</sup> Main other expenses were including entertaining, advertising, promotion, commission, and etc.

For the 6-month period of 2021, selling expenses of the Group amounted to Baht 19.84 million, increased from the same period of previous year by Baht 6.17 million. This was mainly due to increase in employee expenses from Business Development and PR and marketing to boost revenues from services because, during the period of the COVID-19 pandemic, customers delayed their investment. However, proportion of selling expenses to total revenues was similar to the previous year.

**Administrative expenses**

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Employee expenses	12.54	79.98	19.04	80.91
Utilities expenses	1.19	7.56	1.45	6.17
Outsource fee	0.14	0.89	0.16	0.66
Transportation expenses	0.08	0.53	0.03	0.13
Losses from exchange rate	0.55	3.53	-	-
Depreciation and amortization expenses	0.34	2.15	0.28	1.18
Other expenses <sup>1/</sup>	0.84	5.36	2.58	10.95
<b>Total administrative expenses</b>	<b>15.68</b>	<b>100.00</b>	<b>23.53</b>	<b>100.00</b>

Note : <sup>1/</sup> Main other expenses were financial advisory fees, bank fees, stamp duty, and etc.

For the 6-month period of 2021, administrative expenses of the Group amounted to Baht 23.53 million, increased by Baht 7.85 million or increased by 50.03 percent from the same period of previous year. This was mainly due to increase in employee expenses by Baht 6.49 million from increase in employees to prepare for listing on the SET, and increase in other expenses by Baht 1.73 million mainly related to professional fee for listing on the SET.

**Net profit and Net profit margin**

Item	For 6-month period ended			
	30 June 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Total revenues	91.05	100.00	126.96	100.00
Total costs	(29.54)	(32.44)	(46.15)	(36.35)
Selling and administrative expenses	(29.35)	(32.24)	(43.37)	(34.16)
<b>Earnings before interest and taxes</b>	<b>32.12</b>	<b>35.28</b>	<b>37.41</b>	<b>29.47</b>
Finance cost	(0.18)	(0.20)	(0.29)	(0.23)
Share of loss from investment in joint venture	-	-	(0.26)	(0.20)
<b>Profit before income tax expenses</b>	<b>31.98</b>	<b>35.12</b>	<b>36.89</b>	<b>29.06</b>
Income tax expenses	(5.64)	(6.20)	(6.83)	(5.38)
<b>Profit for the period</b>	<b>26.33</b>	<b>28.92</b>	<b>30.06</b>	<b>23.67</b>

For the 6-month period of 2021, net profit of the Group amounted to Baht 30.06 million increased by Baht 3.72 million or increased by 14.13 percent from the same period of previous year, which was in accordance with increase in revenues from services and works in projects. However, for the 6-month period of 2021, net profit margin of the Group was 23.67 percent, decreased from the same period of previous year at 28.92 percent. This was mainly due to decrease in gross profit margin and increase in proportion of selling and administrative expenses to revenue because of increase in number of employees to support business operation and professional fees related to preparation for listing on the SET. However, net profit margin in the 6-month period of 2021 was still higher than full year net profit margin in 2020 at 22.06 percent.

**Statements of financial positions**
**Assets**

As of 31 December 2020 and 30 June 2021, total assets of the Group amounted to Baht 167.16 million, and Baht 184.82 million respectively. Changes in assets can be summarized as the following,

**Accounts receivable – General customers**

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Not yet due	44.24	90.46	22.32	49.94
Overdue				
Less than 3 months	4.24	8.66	22.37	50.06
3-6 months	-	-	-	-
6-12 months	0.43	0.88	-	-

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Over 12 months	-	-	-	-
<b>Total</b>	<b>48.91</b>	<b>100.00</b>	<b>44.69</b>	<b>100.00</b>
Less Allowance for expected credit losses	-	-	-	-
<b>Total trade accounts receivable – general customers</b>	<b>48.91</b>	<b>100.00</b>	<b>44.69</b>	<b>100.00</b>

As of 30 June 2021, trade accounts receivable – general customers of the Group amounted to Baht 44.69 million including not yet due and less than 3 months overdue accounted for 49.94 percent and 50.06 percent of trade accounts receivable – general customers respectively. Though the proportion of less than 3 months overdue trade accounts receivable – general customers of the Group as of 30 June 2021 increased from 31 December 2020, most of them overdue less than 1 month, accounted for 41.03 percent of trade accounts receivable – general customers, and were according to normal payment period of each company. As of 13 August 2021, most of less than 3 months overdue trade accounts receivable were paid.

#### Other current accounts receivable

Other current accounts receivable of the Group mainly were including prepaid expenses such as advance payment for training seminars, foundation supports, technology devices and etc. As of 31 December 2020 and 30 June 2021, other current accounts receivable of the Group amounted to Baht 1.38 million and Baht 2.58 million respectively or accounted for 0.83 percent of total assets and 1.40 percent of total assets respectively.

#### Contract assets - current

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Revenue recognition period				
Less than 3 months	19.47	90.79	41.51 <sup>1/</sup>	93.43
3-6 months	-	-	2.92 <sup>2/</sup>	6.57
6-12 months	0.16	0.77	- <sup>3/</sup>	-
Over 12 months	1.81	8.44	-	-
<b>Total</b>	<b>21.44</b>	<b>100.00</b>	<b>44.43</b>	<b>100.00</b>

Note:

<sup>1/</sup> As of 30 June 2021, the Company adjusted contract assets with revenue recognition period less than 3 months from Baht 41.51 million to Baht 40.91 million.

<sup>2/</sup> As of 30 June 2021, the Company adjusted contract assets with revenue recognition period 3-6 months from Baht 2.92 million to Baht 3.45 million.

<sup>3/</sup> As of 30 June 2021, the Company adjusted contract assets with revenue recognition period 6-12 months to Baht 0.07 million.

As of 30 June 2021, contract assets - current of the Group amounted to Baht 44.43 million, increased from the end of previous year by Baht 22.99 million or increased by 107.23 percent. This was because the Group acquired additional



works in big project from 2020 to develop application for insurance customers resulting in increase in contract assets from Digital Excellence and Delivery business.

### Work in progress

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Work in progress	8.22	100.00	4.76	100.00
Less Allowance for devaluation of work in progress	(0.47)	(5.75)	-	-
<b>Work in progress - net</b>	<b>7.74</b>	<b>94.25</b>	<b>4.76</b>	<b>100.00</b>

As of 30 June 2021, Work in progress - net of the Group amounted to Baht 4.76 million, decreased from the end of previous year by Baht 2.99 million or decreased by 38.60 percent. This was because the Group delivered works in many projects, especially, services for Big Data management projects.

### Inventories

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Inventories	0.56	0.34	0.02	0.01

As of 30 June 2021, inventories of the Group amounted to Baht 0.02 million or accounted for 0.01 percent of total assets because the same customer required the Group to order additional computer devices for the project that the Group provided services in 2020.

### Cash and cash equivalents

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Cash and cash equivalents	61.75	36.94	46.08	24.93

As of 30 June 2021, cash and cash equivalents of the Group decreased from the end of previous year because the Group paid investment in joint venture, dividend and accrued bonus.

**Right-of-use assets – Net**

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Right-of-use assets – Net	7.91	4.73	9.86	5.34

As of 30 June 2021, Right-of-use assets – Net of the Group increased from the end of previous year by Baht 1.96 million because the Group expanded office space to support business and team expansion in according to revenue growth trend.

**Liabilities**

As of 31 December 2020 and 30 June 2021, total liabilities of the Group amounted to Baht 57.08 million and Baht 46.58 million respectively. Changes in main liabilities of the Group can be summarized as the following,

**Trade accounts payable**

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Trade accounts payable	0.42	0.74	4.17	8.95

As of 30 June 2021, trade accounts payable of the Group amounted to Baht 4.17 million, increased from the end of previous year. Main trade accounts payable of the Group were including outside consulting firm that assisted in IT development and companies that assisted in data management and etc.

**Other current accounts payable**

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Accrued bonus	29.98	91.29	12.51	81.06
Accrued employee advance	0.55	1.69	0.08	0.49
Accrued audit fee	0.64	1.94	0.17	1.09
Social security accrued	-	-	-	-
Other accrued expenses	1.50	4.55	2.32	15.04
Other payable	0.17	0.53	0.36	2.32
<b>Total other current accounts payable</b>	<b>32.84</b>	<b>100.00</b>	<b>15.43</b>	<b>100.00</b>

As of 30 June 2021, other current accounts payable of the Group decreased from the end of previous year because the Group paid accrued bonus of the end of year 2020.

### Contract liabilities

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Contract liabilities	0.70	1.23	1.95	4.20

As of 30 June 2021, contract liabilities of the Group amounted to Baht 1.95 million, increased by Baht 1.25 million from the end of previous year because the Group received more advance payments from strategic planning project.

### Lease liabilities

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Lease liabilities - current	0.94	11.32	1.28	12.27
Lease liabilities – non-current	7.33	88.68	9.12	87.73
<b>Total lease liabilities</b>	<b>8.26</b>	<b>100.00</b>	<b>10.40</b>	<b>100.00</b>

As of 30 June 2021, total lease liabilities of the Group increased by Baht 2.14 million because the Group expanded office space to support business and team expansion in according to revenue growth trend.

### Shareholders' equity

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Paid-up capital	20.41	18.54	37.50	18.54
Capital surplus on share swap	4.93	4.48	4.93	4.48
Capital surplus on share-based payment	10.77	9.79	10.77	9.79
Retained earnings				
Appropriated for legal reserve	2.00	1.82	2.04	1.82
Unappropriated	75.30	68.40	86.32	68.40
Other components of equity				
Discount on change of investment proportion in a subsidiary	(3.33)	(3.03)	(3.33)	(3.03)
<b>Total equity of the parent company</b>	<b>110.08</b>	<b>100.00</b>	<b>138.24</b>	<b>100.00</b>
Non-controlling interests	0.00	0.00	0.00	0.00

Item	As of			
	31 December 2020		30 June 2021	
	Mil.Baht	Percent	Mil.Baht	Percent
Total shareholders' equity	110.08	100.00	138.24	100.00

For 6-month period of 2021, the Company increased registered capital of ordinary shares amount of Baht 29.59 million, so registered capital of ordinary shares increased from Baht 20.41 million to Baht 50.00 million including 1) Right offering amount of Baht 17.09 million, this newly issued ordinary shares were fully paid by the existing shareholders 2) Newly issued ordinary shares amount of Baht 12.50 million offering to public, the Company's patronage, and employees in preparation for listing on the SET.

For 6-month period of 2021, the Company paid dividend amount of Baht 18.99 million.

### Key financial ratios

#### Liquidity ratio

Item	For the accounting period ended (Reviewed)	
	31 December 2020	30 June 2021
Liquidity ratio (times)	3.37	4.87
Quick ratio (times)	3.13	4.57
Cash cycle		
Average collection period (days)	121.04	113.32
Average payment period (days)	54.10	9.20
Cash cycle (days) <sup>1/</sup>	66.94	104.12

Note: <sup>1/</sup> The Group is a provider for strategic and digital technology consulting services and other related services for various business sector, and it normally does not have an inventory. So there was no calculation for average inventory period and cash cycle equals to average collection period minus average payment period.

As of 30 June 2021, cash and cash equivalents of the Group amounted to Baht 46.08 million, which were higher than current liabilities of the Group amounted to Baht 31.48 million, indicating that the Group had good liquidity.

#### Cash Cycle

For 6-month period of 2021, cash cycle of the Group was 104.12 days, which increased from 2020 because average payment period of the Group decreased to 9.20 days comparing to the previous year at 54.10 days. Since the Group had a few works that needed to hire outside consultant, so, as of 30 June 2021, accounts payable of the Group was low at Baht 4.17 million. Though average collection period of the Group decreased to 113.32 days comparing to the previous year at 121.04 days, it was still high because the Group acquired big project to develop application for an insurance customer that had long payment period. And, due to high project value, debt repayment must be approved by several processes and took longer period than usual.

**Financial ratio analysis**

Item	For the period ended (Reviewed)	
	31 December 2020	30 June 2021
Debt to equity ratio (times)	0.52	0.34
Interest coverage ratio (times)	135.06	133.18
Debt service coverage ratio (times)	61.40	61.32

Debt to equity ratio of the Group decreased from 0.52 time as of 31 December 2020 to 0.34 time as of 30 June 2021 as a result of increase in registered capital and continuously growth in operating performance and increasing profitability of the Group. While liabilities of the Group slightly increased.

Interest coverage ratios of the Group during year 2020 and 6-month period of 2021 were very high at 133.18 - 135.06 times, indicating that ability to pay interest and liquidity of the Group were good in accordance with increase in operating results and profits of the Group. While finance costs of the Group were very low at Baht 0.43 million in 2020 and Baht 0.29 million in 6-month period of 2021 because the Group had low debt from financial institutions comparing to its revenues or profits of the Group.

In 2020 and 6-month period of 2021, debt service coverage ratios of the Group were very high at 61.40 times and 61.32 times respectively because of continuously growth in operating results and profitability of the Group. And, main current portion of long term debt of the Group was current portion of lease liabilities for office building lease agreement in according to Thai Financial Reporting Standards 16 "Leases". Lease liabilities of the Group amounted to Baht 0.94 million in 2020 and Baht 1.28 million in the 6-month period of 2021 were not debt from financial institutions. This indicated that liquidity of the Group is very good.