



(Unofficial Translation)

10 November 2021

Subject Management Discussion and Analysis for Quarter 3/2021
Attention President, The Stock Exchange of Thailand

Bluebik Group Public Company Limited (the “Group”) would like to provide Management Discussion and Analysis for Quarter 3/2021 as attached.

Your Sincerely

-signature-

(Miss Sriprae Thanathitiphan)

Chief Finance Officer

Bluebik Group Public Company Limited

Management Discussion and Analysis for Quarter 3/2021

Business Overview

Bluebik Group Public Company Limited and its subsidiaries (“the Group”) is a provider for strategic and digital technology consulting services and other related services for various business sectors. Main active businesses are including;

1. **Management Consulting (MC)** is service to develop short-term and long-term strategic business plan (3 – 5 years), develop marketing plan for customers’ products to create competitive strategy, perform business process improvement.

2. **Strategic Project Management (PMO)** is service to provide project management function including supervising projects, managing and monitoring project progress to ensure work delivery on timely basis and goal achievements of organizations.

3. **Digital Excellence and Delivery (DX)** is service to provide in-depth consulting in 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 service to design and implement big data platform, analyze big data and implement the artificial intelligence to translate data into measurable value and support management decision making.

5. **IT Staff Augmentation** is service to procure and outsource IT staff to work under client’s organization. (The service will be performed by the subsidiaries and still not have revenue currently.)

Financial Performance Summary for the period ended 30 September 2021

Consolidated								Unit Million Baht			
	3M Q3/21	3M Q2/21	Ch QoQ	%	3M Q3/20	Ch YoY	%	9M 21	9M 20	Ch YTD	%
Service and sale revenue	71.01	77.15	(6.14)	-7.96%	32.46	38.55	118.75%	197.93	123.46	74.47	60.32%
Cost of service and sale	(23.52)	(30.65)	7.13	-23.26%	(8.86)	(14.66)	165.43%	(69.67)	(38.40)	(31.28)	81.45%
Gross profit	47.48	46.50	0.99	2.12%	23.60	23.89	101.21%	128.26	85.06	43.20	50.78%
Other income	0.79	0.00	0.79	28029%	0.02	0.77	0.00%	0.80	0.03	0.77	2396%
Selling expenses	(11.10)	(10.89)	(0.22)	1.99%	(8.37)	(2.74)	32.73%	(30.94)	(22.03)	(8.91)	40.44%
Administrative expenses	(20.08)	(13.18)	(6.89)	52.28%	(7.34)	(12.73)	173.43%	(43.60)	(23.02)	(20.58)	89.38%
Profit from operation	17.10	22.43	(5.33)	-23.77%	7.91	9.18	116.06%	54.51	40.04	14.47	36.15%
Financial income	-	0.03	(0.03)	0.00%	-	-	0.00%	0.03	0.04	(0.00)	-6.93%
Financial expense	(0.14)	(0.15)	0.00	-3.24%	(0.13)	(0.01)	4.31%	(0.43)	(0.31)	(0.12)	38.00%
Share of profit - JV	0.98	(0.26)	1.24	0.00%	-	0.98	100.00%	0.72	-	0.72	100%
Income tax expense	(2.46)	(4.34)	1.88	-43.29%	(1.66)	(0.80)	47.83%	(9.29)	(7.31)	(1.99)	27.18%
Net profit	15.47	17.72	(2.25)	-12.68%	6.11	9.36	153.08%	45.53	32.45	13.08	40.32%
Net profit margin	21.79%	22.97%			18.84%			23.00%	26.28%		

Revenue breakdown by each services can be shown as following;

Service and sale revenue								Unit Million Baht			
	Q3/21	Q2/21	JJ QoQ	%	Q3/20	JJ YoY	%	9M 21	9M 20	JJ YTD	%
1. Management consulting	13.31	15.06	(1.75)	-11.62%	21.02	(14.25)	-67.79%	40.03	31.86	8.27	25.64%
2. Strategic PMO	-	0.69	(0.69)	-100.00%	6.46	(6.46)	-100.00%	3.24	22.98	(19.74)	-85.90%
3. Digital delivery	47.63	55.19	(7.56)	-13.70%	4.27	49.90	1169%	129.80	62.15	67.65	108.85%
4. Big data & AI	10.07	6.21	3.86	62.16%	0.71	9.36	1318%	24.86	6.47	18.39	284.23%
Total revenue	71.01	77.15	(6.14)	-7.96%	32.46	38.55	118.76%	197.92	123.46	74.46	60.31%

Financial Performance Summary for the 9-month period ended 30 September 2021 compared with 9-month period ended 30 September 2020

For the 9-month period ended 30 September 2021, total revenues of the Group amounted to Baht 197.93 million, increased by Baht 74.47 million or increased by 60.32 percent from the same period of previous year. This was mainly due to the growth of revenues from Management consulting (MC), Digital excellence and delivery (DX) and Big data & AI (AI) as a result of growth in digital transformation, and the

COVID-19 pandemic effects that drive many organizations, especially in bank, insurance and technology sector to increase their investment in IT. While there was a drop in revenue from Strategic project management (PMO) service due to the utilization of PMO resources for DX and AI services which grow significantly.

For the 9-month period of 2021, net profits of the Group amounted to Baht 45.53 million which increased 40.32 percent from the same period of previous year due to the revenue growth. The net profit margin at 23.00 percent decreased from the same period of previous year mainly due to decrease in gross profit margin and increase in administrative expenses for management and employee to involve in preparing for listing on the MAI and preparing company strategy to ensure business continuous growth. However, net profit margin for the 9-month period of 2021 was still higher than full year net profit margin in 2020 at 22.06 percent.

Moreover, the Group recognized share of profit from the joint venture; Orbit Digital Company Limited which started the operation in quarter 3/2021 amounted to Baht 0.72 Million.

Financial Performance Summary for the 3-month period ended 30 September 2021 compared with 3-month period ended 30 September 2020

For the 3-month period ended 30 September 2021, total revenues of the Group amounted to Baht 71.01 million, increased by Baht 32.46 million or increased by 118.75 percent YoY. This was mainly due to the growth of revenues from Digital excellence and delivery and Big data & AI as a result of growth in digital transformation.

For the 3-month period of quarter 3/2021, net profits of the Group amounted to Baht 15.47 million which increased 153.08 percent from the same period of previous year. The net profit margin at 21.79 percent increased from the same period of previous year due to the decrease in selling expenses ratio in business development, public relation and marketing activities from quarter 3/2020.

Financial Performance Summary for the 3-month period ended 30 September 2021 compared with 3-month period ended 30 June 2021

For the 3-month period ended 30 September 2021, total revenues of the Group amounted to Baht 71.01 million, a bit decreased by Baht 6.14 million or decreased by 7.96 percent QoQ. This was mainly due

to some of Digital excellence and delivery project which was already completed and delivered in quarter 2/2021.

For the 3-month period of quarter 3/2021, net profits of the Group amounted to Baht 15.47 million which decreased 12.68 percent from previous period due to revenue drop. The net profit margin at 21.79 percent decreased a bit from Q2/2021 due to increase of selling expense from more pitching activities to seek for new backlog and increase in administrative expenses for management and employee to involve in preparing company strategy to ensure business continuous growth.

Balance Sheet

Asset

As of 30 September 2021 total assets of the Group amounted to Baht 592.54 million, increased by Baht 425.38 million from total assets as of 31 December 2021 amounted to Baht 167.16 million. Changes in assets can be summarized as the following;

- Increase in cash and cash equivalent amounted to Baht 374.52 million from IPO proceed net with cash out from operation and investment activities;
- Increase in account receivable, accrued income and work in progress amounted to Baht 35.73 million from operational growth;
- Increase in investment in joint venture amounted to Baht 8.22 million;
- Increase in right-of-use asset, building improvement and equipment amounted to Baht 5.35 million from expansion of office rental and renovation and purchase of computer.

Liabilities

As of 30 September 2021 total liabilities of the Group amounted to Baht 71.98 million, increased by Baht 14.90 million from total liabilities as of 31 December 2021 amounted to Baht 57.08 million. Changes in liabilities are mainly due to increase in trade payable amounted to Baht 11.66 million and unearned income amounted to Baht 3.48 million from operational growth.

Shareholders' equity

As of 30 September 2021 total shareholders' equity of the Group amounted to Baht 520.55 million, increased by Baht 410.47 million from total shareholders' equity as of 31 December 2021 amounted to Baht 110.08 million. This was mainly due to share capital increase from right offering to existing shareholders amounted to Baht 17.09 million, share capital and net capital surplus from IPO proceed amounted to Baht 440.34 million, net profit for 9-month as of 30 September 2021 amounted to Baht 45.53 million and decrease from dividend payment amounted to Baht 92.49 million.