



(Unofficial Translation)

23 February 2022

Subject Management Discussion and Analysis for the year ended 2021

Attention President, The Stock Exchange of Thailand

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

Your Sincerely

-signature-

(Miss Sriprae Thanathitiphan)

Chief Finance Officer

Bluebik Group Public Company Limited

Management Discussion and Analysis for the year ended 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 year ended 31 December 2021
Unit Million Baht

Consolidated					3M				3M		
	2564	2563	JJ YTD	%	Q4/21	Q3/21	JJ QoQ	%	Q4/20	JJ YoY	%
Service and sale revenue	303.69	200.53	103.16	51.44%	105.76	71.01	34.75	48.94%	77.07	28.69	37.22%
Cost of service and sale	(118.61)	(72.01)	(46.60)	64.72%	(48.94)	(23.52)	(25.41)	108.05%	(33.61)	(15.33)	45.61%
Gross profit	185.08	128.53	56.55	44.00%	56.82	47.48	9.34	19.66%	43.46	13.36	30.73%
Other income	2.46	0.07	2.39	3241.47%	1.67	0.79	0.87	110.13%	0.04	1.62	0.00%
Selling expenses	(46.93)	(33.63)	(13.30)	39.55%	(15.99)	(11.10)	(4.88)	43.95%	(11.59)	(4.39)	37.88%
Administrative expenses	(63.73)	(40.45)	(23.28)	57.54%	(20.13)	(20.08)	(0.05)	0.24%	(17.43)	(2.70)	15.47%
Profit from operation	76.88	54.52	22.37	41.03%	22.38	17.10	5.28	30.88%	14.48	7.89	54.52%
Financial income	0.56	0.06	0.50	845.19%	0.53	-	0.53	0.00%	0.02	0.50	0.00%
Financial expense	(0.57)	(0.43)	(0.15)	34.50%	(0.14)	(0.14)	0.00	-2.18%	(0.11)	(0.03)	24.52%
Share of profit - JV	3.35	-	3.35	0.00%	2.63	0.98	1.65	0.00%	-	2.63	0.00%
Income tax expense	(13.72)	(9.86)	(3.86)	39.10%	(4.43)	(2.46)	(1.97)	80.08%	(2.56)	(1.87)	73.18%
Net profit	66.50	44.29	22.21	50.15%	20.96	15.47	5.49	35.48%	11.84	9.13	77.11%
Net profit margin	21.90%	22.06%									

Revenue breakdown by each services can be shown as following;

Unit Million Baht

Service and sale revenue					3M				3M		
	2564	2563	JJ YTD	%	Q4/21	Q3/21	JJ QoQ	%	Q4/20	JJ YoY	%
1. Management consulting	60.91	61.02	(0.11)	-0.18%	20.88	13.31	7.57	56.87%	29.16	(8.28)	-28.40%
2. Strategic PMO	3.24	23.81	(20.57)	-86.39%	-	-	-	-	0.83	(0.83)	-100.00%
3. Digital delivery	211.22	104.29	106.93	102.53%	82.14	47.63	34.51	72.45%	42.14	40.00	94.92%
4. Big data & AI	28.32	11.41	16.91	148.20%	2.74	10.07	(7.33)	-72.79%	4.94	(2.20)	-44.53%
Total revenue	303.69	200.53	103.16	51.44%	105.76	71.01	34.75	48.94%	77.07	28.69	37.23%

Financial Performance Summary for the year ended 31 December 2021 compared with year ended 31 December 2020

For the year ended 31 December 2021, total revenues of the Group amounted to Baht 303.69 million, increased by Baht 103.16 million or increased by 51.44 percent from previous year. This was mainly due to the growth of revenues from 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. Moreover, the Group is able to expand services to oversea clients. 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 year 2021, net profits of the Group amounted to Baht 66.50 million which increased 50.15 percent from previous year which in line with the revenue growth. The net profit margin at 21.90 percent closed to previous year at 22.06 percent. However, in quarter 4th of year 2021, the Group recorded for the provision of bad debt from outstanding account receivable of Asset Insurance Public Company Limited amounted to Baht 1.89 million. When considering the net profit margin before the bad debt provision which is non-regular item, the net profit margin will be 22.52 percent which is a bit higher than year 2020 due to the decreasing in selling expense ratio in business development, public relation and marketing activities.

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 3.35 Million.

Financial Performance Summary for the 3-month period ended 31 December 2021 compared with 3-month period ended 30 September 2021

For the 3-month period ended 31 December 2021, total revenues of the Group amounted to Baht 105.76 million, increased by Baht 34.75 million or increased by 48.94 percent QoQ. This was mainly due to the growth of revenues from Management Consulting (MC) and Digital excellence and delivery (DX) as a result of growth in digital transformation and continuous of demand from oversea clients.

For the 3-month period of quarter 4/2021, net profits of the Group amounted to Baht 20.96 million which increased 35.48 percent from previous period due to revenue growth offset with the provision of bad debt recording. The net profit margin reported at 19.82 percent; however, the net profit margin before the provision of bad debt will be 21.62 percent which is closed to previous quarter.

Financial Performance Summary for the 3-month period ended 31 December 2021 compared with 3-month period ended 31 December 2020

For the 3-month period ended 31 December 2021, total revenues of the Group amounted to Baht 105.76 million, increased by Baht 28.69 million or increased by 37.22 percent YoY. This was mainly due to the growth of revenues from Digital excellence and delivery (DX) as a result of growth in digital transformation and the business expansion to oversea.

For the 3-month period of quarter 4/2021, net profits of the Group amounted to Baht 20.96 million which increased 77.11 percent from the same period of previous year due to the revenue growth and the economies of scale saving of administrative expenses.

Balance Sheet

Asset

As of 31 December 2021 total assets of the Group amounted to Baht 651.00 million, increased by Baht 483.84 million from total assets as of 31 December 2020 amounted to Baht 167.16 million. Changes in assets can be summarized as the following;

- Increase in cash and cash equivalent amounted to Baht 191.41 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 37.07 million from operational growth;
- Increase in investment in financial asset (debt/ equity instrument) for liquidity management amounted to Baht 229.58 million
- Increase in investment in joint venture amounted to Baht 18.35 million;
- Increase in right-of-use asset, building improvement and equipment amounted to Baht 6.05 million from expansion of office rental and renovation and purchase of computer.

Liabilities

As of 31 December 2021 total liabilities of the Group amounted to Baht 107.11 million, increased by Baht 50.03 million from total liabilities as of 31 December 2020 amounted to Baht 57.08 million. Changes in liabilities are mainly due to increase in trade payable and accrued expenses amounted to Baht



35.14 million, unearned income amounted to Baht 13.64 million from operational growth and employee benefit obligation amounted to 1.79 million from the increasing in headcount.

Shareholders' equity

As of 31 December 2021 total shareholders' equity of the Group amounted to Baht 543.89 million, increased by Baht 433.81 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 the year 2021 amounted to Baht 66.50 million, other comprehensive income (OCI) from the revaluation of financial asset and actuarial gain amounted to Baht 2.37 million and decrease from dividend payment amounted to Baht 92.49 million.