



*(Unofficial Translation)*

13 May 2024

Subject Management Discussion and Analysis for Quarter 1/2024

Attention President, The Stock Exchange of Thailand

Bluebik Group Public Company Limited would like to provide Management Discussion and Analysis for Quarter 1/2024 as attached.

Your Sincerely

*-signature-*

---

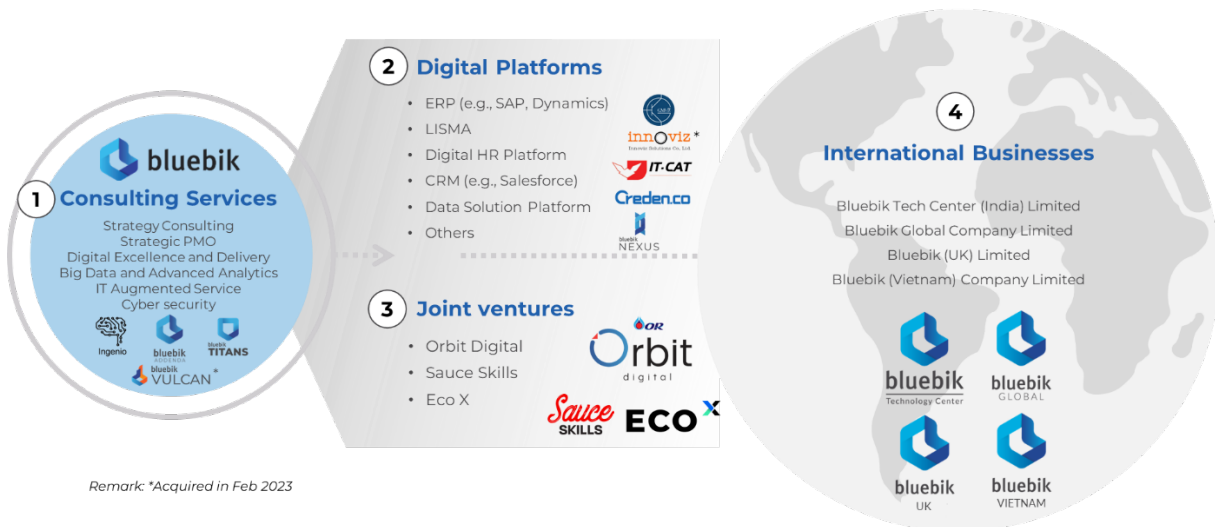
(Miss Sriprae Thanathitiphan)

Chief Financial Officer

**Business Overview**

Bluebik Group Public Company Limited (“the Company”) and its subsidiaries, Associates and joint ventures (“the Group”) is an end-to-end digital transformation partner providing services for strategic and digital technology consulting and other related services for various business sectors. Main active businesses are in 4 pillars including;

## A truly end-to-end digital transformation partner



**1. Digital Transformation Consulting Services** – which is the core consulting service that the Group provides end-to-end digital transformation consulting services to the client. The Group emphasizes on the services quality together with the offering of widely end-to-end scope of consultancy services, especially to serve the technology trend until post digital transformation. The main scope of consulting services are;



- **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 and reorganization.
- **Strategic Project Management (PMO)** is service to provide project management or product management function including supervising projects, managing and monitoring project progress to ensure work delivery on timely basis and goal achievements of organizations.
- **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.
- **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.
- **IT Staff Augmentation** is service to provide personnel outsourcing service especially in technical areas i.e. Programmer, Software Developer based on client required timeframe.
- **ERP maximization and advisory** which currently covers for SAP program. The services focus on the re-design and customization of SAP program in order to maximize its capacity to serve the business.
- **Customer Relationship Management (CRM) advisory and solution** which currently covers for Salesforce program. The services is to assess the business, design and implementation of the Salesforce program and integrate with client's existing systems to ensure the seamless experience.
- **Cyber Security and Solution Implementation Services** which is the end-to-end cyber security consultancy starting from the business-cybersecurity alignment, the critical cyber risk remediation, strengthened security-by-design and the cyber response readiness.

For the year 2023, in order to serve the position of Truly End-to-End Digital Transformation Partner according to the Group strategic plan, the Company invested in 2 subsidiaries which are 1) Innoviz Solutions Company Limited (“Innoviz”), the consulting of ERP implementation mainly Microsoft Dynamic 365 and 2) Bluebik Vulcan Co., Ltd. (“Vulcan”) which has expertise in digital delivery area.

**2. Digital Platform** – the Group together with the global technology partners implement the digital platform or IT solutions which serve the business demand and trend. The platform usually serves client in all scales and will support the digital transformation in the organization. In addition, the Group develops the digital platform or IT solutions i.e. LISMA or LISMA X solution which are the integration among SAP and LINE or Microsoft platform in order to facilitate the flexibility of system usage to the users.

**3. Joint venture** – the Group collaborate together with the potential business partner to enhance and synergize the businesses. In year 2021, the Company had invested in the joint venture named Orbit Digital Company Limited which is the joint venture with Modulas Venture Company Limited; the subsidiary of PTT Oil and Retail Public Company Limited (“OR”) to serve as the digital arm for OR group to support on the digitalization, retail innovation and the data monetization. Also, during year 2023, the Company invested in 2 companies which are;

- Sauce Skills Company Limited (“Sauce Skills”) which is collaborating with THE STANDARD Company Limited to provide corporate training to uplift knowledge and understanding covering digital, business and leadership skills (Sauce Skills is a subsidiary of the Group). Sauce Skills started operation and revenue recognition in Q3/23.
- EcoX Company Limited (“EcoX”) which is a joint venture with Beryl 8 Plus Company Limited to provide consultancy and implementation services related to the green technology.

**4. Global business** – the Group explored on the expansion to global business which has significant and continuous demand on the digital transformation. The Group had provided the technology services to clients in multiple countries i.e. Indonesia, Singapore, United Kingdom and Vietnam. The strength of the Group is in the quality and the capability of resources and the cost competitiveness in the global market. For the year 2023, the Group incorporated 2 new subsidiaries based in United Kingdom and Vietnam. This is to support the expansion to global markets.

## Financial Performance Summary for the Quarter 1/2024

Unit Million Baht

Consolidated financial statement	3M	3M	Change		Unit Million Baht		
	Q1/24	Q4/23	QoQ	%	3M Q1/23	Change YoY	%
Service and sale revenue	368.81	371.79	(2.98)	(0.80%)	266.82	101.99	38.22%
Cost of service and sale	(199.72)	(203.62)	3.90	(1.91%)	(137.91)	(61.81)	44.82%
<b>Gross profit</b>	<b>169.09</b>	<b>168.18</b>	<b>0.91</b>	<b>0.54%</b>	<b>128.91</b>	<b>40.18</b>	<b>31.17%</b>
Other income	5.27	(0.50)	5.77	1,147.28%	0.25	5.02	2,028.35%
Selling and Admin expense	(105.44)	(94.00)	(11.44)	12.17%	(73.10)	(32.33)	44.23%
<b>Profit from operation</b>	<b>68.92</b>	<b>73.68</b>	<b>(4.76)</b>	<b>(6.45%)</b>	<b>56.06</b>	<b>12.87</b>	<b>22.95%</b>
Financial income	0.62	2.06	(1.44)	(70.05%)	0.25	0.36	144.80%
Financial expense	(1.87)	(1.86)	(0.01)	0.54%	(1.29)	(0.58)	44.82%
Share of profit – asso/ JV	11.19	23.34	(12.15)	(52.05%)	10.34	0.85	8.19%
Income tax expense	(7.66)	(11.29)	3.64	(32.19%)	(2.74)	(4.91)	178.96%
<b>Net profit</b>	<b>71.20</b>	<b>85.92</b>	<b>(14.72)</b>	<b>(17.13%)</b>	<b>62.62</b>	<b>8.59</b>	<b>13.71%</b>
Non-controlling interest	2.21	8.39	(6.18)	(73.65%)	4.36	(2.15)	(49.28%)
<b>Net profit for parent company</b>	<b>68.99</b>	<b>77.53</b>	<b>(8.54)</b>	<b>(11.01%)</b>	<b>58.26</b>	<b>10.74</b>	<b>18.43%</b>

Net profit margin

19%

23%

Revenue breakdown by each services can be shown as following;

Unit Million Baht

Service and sale revenue	3M	3M	Change		Unit Million Baht		
	Q1/24	Q4/23	QoQ	%	3M Q1/23	Change YoY	%
1. Management consulting*	8.67	9.75	(1.08)	(11.08%)	34.18	(25.51)	(74.63%)
2. Strategic PMO	3.01	3.69	(0.68)	(18.43%)	13.04	(10.03)	(76.92%)
3. Digital delivery*	333.60	330.65	2.95	0.89%	193.16	140.44	72.70%
4. Big data & AI	23.53	27.70	(4.17)	(15.05%)	26.44	(2.91)	(11.01%)
<b>Total revenue</b>	<b>368.81</b>	<b>371.79</b>	<b>(2.98)</b>	<b>(0.80%)</b>	<b>266.82</b>	<b>101.99</b>	<b>38.22%</b>

\*Digital delivery segment includes the services and digital platforms of Innoviz, Vulcan, ERP, CRM implementation and cyber security consulting. Management consulting includes the corporate training service from Sauce Skills.

### **Financial Performance Summary for the 3-month period ended 31 March 2024 compared with 3-month period ended 31 March 2023**

For the 3-month period ended 31 March 2024, the performance of the Group reported total revenues amounted to Baht 368.81 million which increased by Baht 101.99 million or increase by 38 percent YoY. main growth driver were still from the segment of Digital excellence and delivery (DX) which was from the continuous growth in digital transformation that drive many organization, especially in bank, insurance, technology and retail sector to increase their investment in IT and strategy development to ensure the competitive advantages for long term and short term.

For the 3-month period ended 31 March 2024, net profits of the period amounted to Baht 71.20 million which increased by Baht 8.59 million or 14 percent from the net profit of previous year from the revenue growth. The net profit margin (NPM) of Quarter 1/2024 is 19 percent which decreased from average NPM of year 2023. This is due to the extra costs and expenses occurred in this quarter e.g. additional cost of oversea project in order to speed up process and ensure the work acceptance from client during the slow down of their investment, the depreciation of Baht to USD which drive cost of subscription fee especially for Innoviz that needed to pay vendor in USD, the increasing in Selling and Administrative expense from the investment in the necessary expenses to support the sustainable growth of the Group i.e. the office expansion for the headcount increasing and the hiring of management and sales team.

### **Financial Performance Summary for the 3- month period ended 31 March 2024 compared with 3-month period ended 31 December 2023**

For the 3-month period ended 31 March 2024, total revenues of the Group amounted to Baht 368.81 million, slightly decreased by Baht 2.98 million or decreased by 1 percent QoQ. This was mainly due to the continual of negative factors from previous year which caused to economy downturn impacted to each companies to closely restrict their investment, separate the project into phases and and take longer time to close the project bidding. This mainly impact to the growth of the Group for this Quarter.

The net profits for the 3-month period of quarter 1/2024 reported at Baht 71.20 million which decreased by Baht 14.72 million or 17 percent from previous period mainly due to the significant decrease in profit sharing from joint ventures caused from the decreasing of revenue from seasonal factor which

impact the Quarter 1 that has less revenue than other quarters. Also, the increasing of necessary expenses i.e. office and facilities and the hiring of management and sales team to support for sustainable growth.

As of 31 March 2024, the Group reported total backlog at Baht 699 Million (exclude backlog from joint ventures and associates) which expected to recognize as revenue in year 2024 not less than Baht 510 million. Remaining balance will be recognized from year 2025-2028.

## **Balance Sheet**

### **Asset**

As of 31 March 2024 total assets of the Group amounted to Baht 2,218.73 million, decreased by Baht 217.80 million from total assets as of 31 December 2023 amounted to Baht 2,436.53 million. Changes in assets can be summarized as the following;

- Decrease in cash at bank amounted to Baht 131.78 million;
- Decrease in account receivable and work in progress offset with accrued income amounted to Baht 85.73 million from the collection during Quarter 1/2024;
- Decrease in investment in joint venture and associates amounted to Baht 4.50 million from the profit sharing offset with the dividend income during the Quarter;
- Decrease in right-of-use asset, building improvement and equipment offset with intangible assets amounted to Baht 5.78 million from the depreciation;
- Increase in other assets amounted to Baht 10.05 million.

### **Liabilities**

As of 31 March 2024 total liabilities of the Group amounted to Baht 410.32 million, decreased by Baht 60.12 million from total liabilities as of 31 December 2023 amounted to Baht 470.44 million mainly from the payment of account payable and accrued expenses during the Quarter offset with the increasing of unearned income.



### Shareholders' equity

As of 31 March 2024 total shareholders' equity of the Group amounted to Baht 1,808.41 million, decreased by Baht 157.68 million from total shareholders' equity as of 31 December 2023 amounted to Baht 1,966.09 million from Quarter 1/2024 net income for the parent company amounted to Baht 68.99 million offset with the decreasing in non-controlling interests amounted to Baht 20.98 million and the discount on change of investment proportion in Innoviz amounted to Baht 208.05 from the acquisition of 30 percent of Innoviz shares for Tranches 2 of the deal.