

*(Unofficial Translation)*

8 August 2024

Subject        Management Discussion and Analysis for Quarter 2/2024  
Attention      President, The Stock Exchange of Thailand

Bluebik Group Public Company Limited would like to provide Management Discussion and Analysis for Quarter 2/2024 as attached.

Your Sincerely

*-signature-*

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(Miss Sriprae Thanathitiphan)

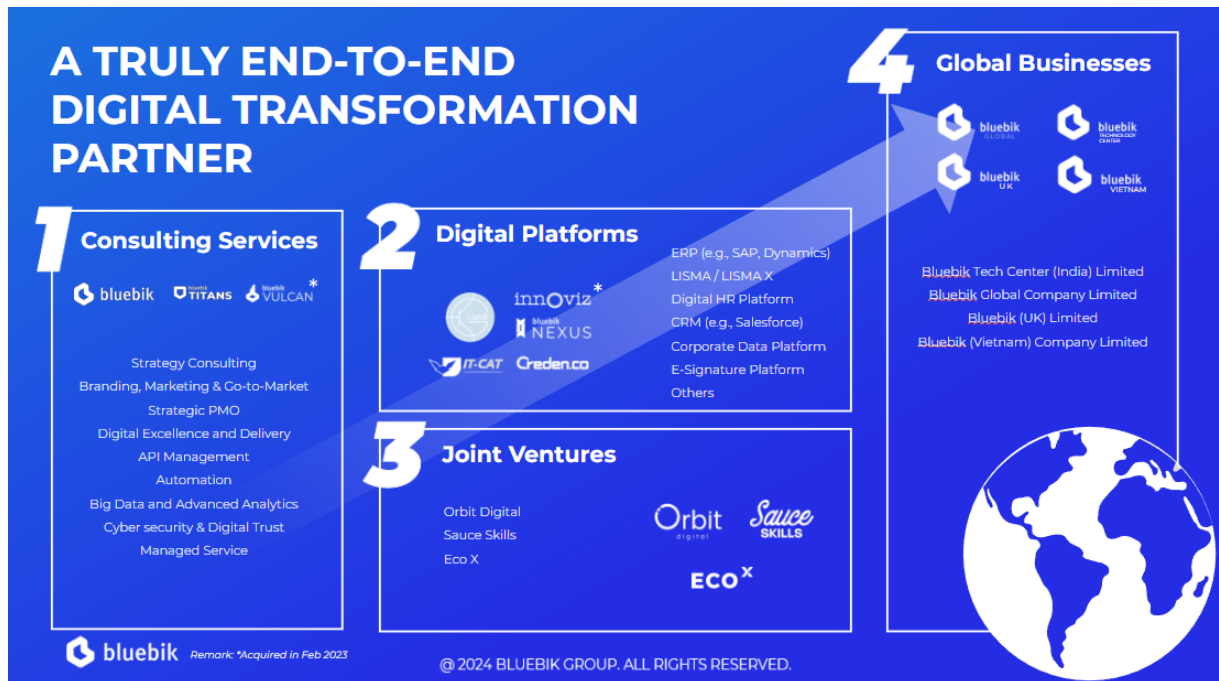
Chief Financial Officer

**Bluebik Group Public Company Limited**

**Management Discussion and Analysis for Quarter 2/2024**

**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;



**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 system architectures, designing user experiences and user-system interface (UX/UI) on website or application as well as developing deep technology and application programming interface (API) management, 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.
- **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.

**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.

- **ERP maximization and advisory** which currently covers for Microsoft Dynamic 365 and SAP program. The services focus on the re-design and customization of ERP 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.

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 which are;

- Orbit Digital Company Limited (“Orbit”) which is the joint venture with Modulus 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.
- 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 Q3/2023.
- 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.

## Financial Performance Summary for the period ended 30 June 2024

Consolidated financial statement								Unit Million Baht			
	3M Q2/24	3M Q1/24	Change QoQ	%	3M Q2/23	Change YoY	%	6M 24	6M 23	Change YTD	%
Service and sale revenue	339.25	368.81	(29.56)	-8.01%	339.75	(0.50)	-0.15%	708.07	606.58	101.49	16.73%
Cost of service and sale	(190.78)	(199.72)	8.94	-4.48%	(159.26)	(31.53)	19.80%	(390.51)	(297.17)	(93.34)	31.41%
Gross profit	148.47	169.09	(20.62)	-12.20%	180.50	(32.03)	-17.74%	317.56	309.41	8.15	2.63%
Other income	1.62	5.27	(3.64)	-69.17%	1.78	(0.15)	-8.55%	6.89	2.02	4.87	240.62%
Selling and Admin expense	(109.08)	(105.44)	(3.64)	3.45%	(106.33)	(2.75)	2.58%	(214.51)	(179.43)	(35.08)	19.55%
<b>Profit from operation</b>	<b>41.02</b>	<b>68.92</b>	<b>(27.90)</b>	<b>-40.49%</b>	<b>75.95</b>	<b>(34.93)</b>	<b>-45.99%</b>	<b>109.94</b>	<b>132.00</b>	<b>(22.06)</b>	<b>-16.71%</b>
Financial income	1.53	0.62	0.91	148.34%	1.51	0.02	1.48%	2.15	1.76	0.39	21.98%
Financial expense	(1.76)	(1.87)	0.11	-5.79%	(1.39)	(0.37)	26.82%	(3.63)	(2.68)	(0.95)	35.49%
Share of profit – asso/JV	10.60	11.19	(0.59)	-5.31%	12.09	(1.49)	-12.33%	21.79	22.43	(0.64)	-2.87%
Income tax expense	(8.75)	(7.66)	(1.09)	14.29%	(13.31)	4.56	-34.25%	(16.41)	(16.05)	(0.35)	2.21%
<b>Net profit</b>	<b>42.63</b>	<b>71.20</b>	<b>(28.57)</b>	<b>-40.13%</b>	<b>74.84</b>	<b>(32.21)</b>	<b>-43.04%</b>	<b>113.83</b>	<b>137.46</b>	<b>(23.62)</b>	<b>-17.19%</b>
Non-controlling interest	1.36	2.21	(0.85)	-38.35%	7.82	(6.46)	-82.57%	3.57	12.18	(8.60)	-70.65%
<b>Net profit for parent company</b>	<b>41.27</b>	<b>68.99</b>	<b>(27.72)</b>	<b>-40.18%</b>	<b>67.02</b>	<b>(25.76)</b>	<b>-38.43%</b>	<b>110.26</b>	<b>125.28</b>	<b>(15.02)</b>	<b>-11.99%</b>
<b>Net profit margin</b>	<b>13%</b>	<b>19%</b>			<b>22%</b>			<b>16%</b>	<b>23%</b>		

Revenue breakdown by each services can be shown as following;

Service and sale revenue								Unit Million Baht			
	3M Q2/24	3M Q1/24	Change QoQ	%	3M Q2/23	Change YoY	%	6M 24	6M 23	Change YTD	%
1. Management Consulting	6.90	6.58	0.32	4.86%	13.58	(6.68)	-49.19%	13.48	47.76	(34.28)	-71.78%
2. Strategic PMO	9.10	3.01	6.09	202.33%	14.56	(5.46)	-37.49%	12.11	27.60	(15.49)	-56.12%
3. Ditital Delivery	202.54	249.22	(46.67)	-18.73%	219.01	(16.46)	-7.52%	451.77	368.84	82.93	22.48%
4. ERP and CRM	93.35	84.38	8.96	10.62%	72.48	20.86	28.78%	177.73	115.83	61.90	53.44%
5. Big Data & AI	12.26	23.53	(11.27)	-47.90%	20.12	(7.86)	-39.08%	35.79	46.56	(10.77)	-23.13%
6. Other (Corporate training)	15.10	2.09	13.01	622.49%	-	15.10	100.00%	17.19	-	17.19	100.00%
<b>Total</b>	<b>339.25</b>	<b>368.81</b>	<b>(29.56)</b>	<b>-8.01%</b>	<b>339.75</b>	<b>(0.50)</b>	<b>-0.15%</b>	<b>708.07</b>	<b>606.58</b>	<b>101.49</b>	<b>16.73%</b>

**Financial Performance Summary for the 6-month period ended 30 June 2024 compared with 6-month period ended 30 June 2023**

For the 6-month period ended 30 June 2024, total revenues of the Group amounted to Baht 708.07 million, increased by Baht 101.49 million or increased by 16.73 percent from the same period of previous year from the continuous growth in digital transformation needs that drive many organization, especially in bank, insurance, technology and retail sector to invest in IT development (DX, ERP and corporate training) to ensure the competitive advantages for long term and short term. The growth of revenue derived from the expansion to new customers and the new projects from the existing customers. However, this growth did not meet our target due to the uncertainty regarding the economic deceleration and the delay of government spending since year 2023, continued to 2024. These directly cause the decreasing of 3-months revenue of quarter 2/2024 comparing to Q1/2024.

For the 6-month period of 2024, net profits of the Group amounted to Baht 113.83 million, represented the net profit margin at 16 percent which decreased from the same period of prior year mainly due to the growth of revenue that didn't meet the target both from the delay of spending from clients and the oversea revenue that was realized less than the expectation. There were also some factors that cause to the lower of gross profit margin in this period i.e. 1) the necessity to utilize outsource in some skills which is in urgency needs and the Group could not internally develop/ re-skill resources in time, 2) the depreciation of Baht to USD which drive cost of subscription fee especially for Innoviz that needed to pay vendor in USD, 3) the corporate training service which significantly grew in Q2/2024 has thinner margin than other core consulting services (but this service will lead or generate other core consulting service accordingly). Finally, there were 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. In addition, there was one-time charge for prior years tax expense of the Group amounted to Baht 4.45 million occurred in Q2/2024; therefore, normal profit of the Group for 6-month period of 2024 should be Baht 118.28 million.

As of 30 June 2024, the Group reported total backlog at Baht 905 Million (exclude backlog from joint ventures and associates) which broke the new high records. Regarding the positive factors from government spending that is likely to resume at the end of Q2/2024 accelerated the spending of all industries regarding digital investment, together with the Group's dedicated effort in the sales and business development activities generated the favorable result in terms of the significant rise of backlog value at the end of

Q2/2024. This backlog is expected to recognize as revenue in year 2024 not less than Baht 506 million. Remaining balance will be recognized from year 2025-2029.

**Financial Performance Summary for the 3-month period ended 30 June 2024 compared with 3-month period ended 31 March 2024**

For the 3-month period ended 30 June 2024, total revenues of the Group amounted to Baht 339.25 million, decreased by Baht 29.56 million or decreased by 8.01 percent QoQ. This was mainly from overseas revenue which had no delivery and recognition in Q2/2024, the decreasing of AI revenue from some of projects which were completed in Q1/2024 offset with the increase of corporate training revenue around Baht 15 million and the increase of PMO and ERP revenue.

For the 3-month period of quarter 2/2024, net profits of the Group amounted to Baht 42.63 million or represented 13 percent net profit margin. The decreasing profit is primarily due to the decreasing of revenue.

**Financial Performance Summary for the 3-month period ended 30 June 2024 compared with 3-month period ended 30 June 2023**

For the 3-month period ended 30 June 2024, total revenues of the Group amounted to Baht 339.25 million, approximately equal to the same period of prior year driven from the increasing of corporate training revenue and ERP service offset with the decreasing of MC, DX, PMO and AI revenues from the delay spending of clients.

For the 3-month period of quarter 2/2024, net profits of the Group amounted to Baht 42.63 million decreased from the net profit of previous year due to the growth of revenue that didn't meet the target, the factors that cause the gross profit margin to be lower i.e. the necessity to utilize outsource, the corporate training service that has thinner margin than other core consulting services and 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.

## **Balance Sheet**

### **Asset**

As of 30 June 2024 total assets of the Group amounted to Baht 2,226.56 million, decreased by Baht 209.96 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 and cash equivalent amounted to Baht 197.35 million
- Decrease in account receivable from the AR collection during 6 months 2024 and work in progress offset with accrued income amounted to Baht 25.54 million;
- Increase in investment in joint venture and associates amounted to Baht 6.07 million from the profit sharing offset with the dividend income during 6 months 2024;
- Decrease in right-of-use asset, building improvement and equipment from the depreciation offset with intangible assets amounted to Baht 3.46 million;
- Increase in other assets amounted to Baht 10.32 million.

### **Liabilities**

As of 30 June 2024 total liabilities of the Group amounted to Baht 417.23 million, decreased by Baht 53.21 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 6 months 2024 offset with the increasing of unearned income and employee benefit liabilities.

### **Shareholders' equity**

As of 30 June 2024 total shareholders' equity of the Group amounted to Baht 1,809.34 million, decreased by Baht 156.75 million from total shareholders' equity as of 31 December 2023 amounted to Baht 1,966.09 million from shares increase from stock dividend amounted to Baht 45.57 million, the 6 months 2024 net income for the parent company amounted to Baht 110.26 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 million from the acquisition of 30 percent of Innoviz shares for Tranches 2 of the deal and the dividend of 2023 paid in May 2024 amounted to Baht 87.11 Million.