

Subject: Management's Discussion and Analysis for Nine Months Ended September 30, 2024

 To The President
 The Stock Exchange of Thailand

Management's Discussion and Analysis
Consolidated Financial Statements
For nine months ended September 30, 2024

Overall Group Performance
Table 1: Overall Financial Performance

Unit: million baht

| | 9M 2024 | 9M 2023 | Change | %YoY |
|-----------------------|----------|---------|--------|-------|
| Revenues | 1,037.75 | 943.23 | 94.52 | 10.0% |
| Gross Profit | 512.78 | 491.84 | 20.94 | 4.3% |
| Adjusted EBT* | 293.97 | 271.85 | 22.12 | 8.1% |
| EBT | 269.93 | 249.61 | 20.32 | 8.1% |
| Net Profit | 226.74 | 217.38 | 9.36 | 4.3% |
| | | | | |
| % Gross Profit Margin | 49.4% | 52.1% | | |
| % Adjusted EBT | 28.3% | 28.8% | | |

| | Q3 2024 | Q3 2023 | Change | %YoY | Q2 2024 |
|-----------------------|---------|---------|---------|---------|---------|
| Revenues | 346.91 | 334.37 | 12.54 | 3.8% | 345.17 |
| Gross Profit | 165.45 | 181.88 | (16.43) | (9.0%) | 173.01 |
| Adjusted EBT* | 95.16 | 107.98 | (12.82) | (11.9%) | 104.40 |
| EBT | 79.76 | 100.98 | (21.22) | (21.0%) | 93.32 |
| Net Profit | 62.89 | 84.72 | (21.83) | (25.8%) | 81.78 |
| | | | | | |
| % Gross Profit Margin | 47.7% | 54.4% | | | 50.1% |
| % Adjusted EBT | 27.4% | 32.3% | | | 30.2% |

Note:

* Adjusted Earnings before tax which exclude the effect of transactions from gain/loss on valuation of financial investment, Exchange gain (loss), one-off income (expenses) and Amortization expense of intangible asset from Purchase Price Allocation (PPA).

Revenues

For 9M 2024, The Humanica Group of Companies ("HUMAN" or the "Company") delivered sales and service revenue of 1,037.75mb (9M 2023: 943.23mb), an increase of 94.52mb or 10.0%. HR Solutions revenue increased 93.44mb or 11.0% from organic growth 82.58mb which mostly increased from license income (SaaS model), payroll outsourcing income and implementation income and increased from new business

from HRM Consulting Company Limited (New subsidiary) 10.86mb. Financial Solutions revenue increased 1.08mb or 1.1%.

For Q3 2024, the revenue increased by 12.54mb or 3.8% to 346.91mb (Q3 2023: 334.37mb) from HR Solutions 17.56mb or 6.0% less decreased in Financial Solutions -5.02mb or -12.4%.

Gross Profit

For 9M 2024, gross profit grew +20.94mb or +4.3% and gross profit margin (GPM) decreased from 52.1% to 49.4% as revenue grew +94.52mb and cost increased -73.58mb from increase in staff cost -60.10mb, license cost -6.20mb and cloud cost -7.43mb.

For Q3 2024, gross profit decreased by -16.43mb or -9.0% and gross profit margin decreased from 54.4% to 47.7% as revenue grew +12.54mb and cost increased -28.97mb from increase in staff cost -29.60mb.

Adjusted EBT/EBT

For 9M 2024

Adjusted EBT closed at 293.97mb (9M 2023: 271.85mb), an increase of +22.12mb or +8.1% from

- Gross Profit grew +20.94mb
- Increase of SG&A expense -2.74mb (increase from marketing and traveling expenses)
- Interest expenses decreased +2.30mb

EBT closed at 269.93mb (9M 2023: 249.61mb) increased by +20.32mb or +8.1% mostly from

- Adjusted EBT grew +22.12mb
- Exchange loss increased -1.23mb
- Gain from financial assets +3.71mb
- Loss from impairment of financial asset -3.73mb

For Q3 2024

Adjusted EBT closed at 95.16mb (Q3 2023: 107.98mb), a decrease of -12.82mb or -11.9% from

- Gross Profit decreased -16.43mb
- Share of profit from associates and Joint Venture +2.11mb
- Interest and dividend income +2.81mb

EBT closed at 79.76mb (Q3 2023: 100.98mb) decreased by -21.22mb or -21.0% mostly from

- Adjusted EBT decreased -12.82mb
- Exchange loss increased -9.86mb

Net Profit

The net profit after tax closed at 226.74mb (9M 2023: 217.38mb), increasing by 9.36mb or 4.3% with overall net profit margin down to 21.8% (9M 2023: 23.0%) due to a growth in EBT +20.32 less increased in income tax -10.96mb.

For Q3 2024, the net profit decreased by 21.83mb or 25.8% to 62.89mb (Q3 2023: 84.72mb) due to decreasing in EBT -21.22mb and increasing in income tax -0.61mb.

Segment Report

Table 2: The breakdown performance by business entities

Unit: million baht

| | 9M 2024 | | | 9M 2023 | | |
|-----------------------|---------------|---------------------|-----------------|---------------|---------------------|---------------|
| | HR Solutions | Financial Solutions | Total | HR Solutions | Financial Solutions | Total |
| <u>Revenues</u> | | | | | | |
| -Thailand | 526.80 | 97.82 | 624.62 | 478.98 | 96.74 | 575.72 |
| -Indonesia | 313.54 | - | 313.54 | 285.08 | - | 285.08 |
| -Other SEA | 99.59 | - | 99.59 | 82.43 | - | 82.43 |
| Total revenues | 939.93 | 97.82 | 1,037.75 | 846.49 | 96.74 | 943.23 |
| Gross Profit | 483.90 | 28.88 | 512.78 | 460.68 | 31.16 | 491.84 |
| Operating Profit | 252.38 | 15.22 | 267.60 | 238.17 | 15.03 | 253.20 |

| | Q3 2024 | | | Q3 2023 | | |
|-----------------------|---------------|---------------------|---------------|---------------|---------------------|---------------|
| | HR Solutions | Financial Solutions | Total | HR Solutions | Financial Solutions | Total |
| <u>Revenues</u> | | | | | | |
| -Thailand | 173.17 | 35.48 | 208.65 | 160.58 | 40.50 | 201.08 |
| -Indonesia | 108.21 | - | 108.21 | 105.38 | - | 105.38 |
| -Other SEA | 30.05 | - | 30.05 | 27.91 | - | 27.91 |
| Total revenues | 311.43 | 35.48 | 346.91 | 293.87 | 40.50 | 334.37 |
| Gross Profit | 153.15 | 12.30 | 165.45 | 165.98 | 15.90 | 181.88 |
| Operating Profit | 76.32 | 8.22 | 84.54 | 93.84 | 9.32 | 103.16 |

In Table 2, The Company's segment report comprises 2 business units, HR Solutions and Financial Solutions.

9M 2024/9M 2023

HR Solutions

- HR solutions revenue increased 93.44mb or 11.0% to 939.93mb (9M 2023: 846.49mb). This increase is mainly due to increasing revenue from license income (SaaS model), payroll outsourcing income and implementation income which increased from Thailand 47.82mb or 10.0%, Indonesia 28.46mb or 10.0% and others 17.16mb or 20.8%.
- Gross profit increased 23.22mb or 5.0% to 483.90mb (9M 2023: 460.68mb) as revenue grew +93.44mb and cost increased -70.22mb.
- Operating profit increased 14.21mb or 6.0% to 252.38mb (9M 2023: 238.17mb).

Financial Solutions

- Financial solutions revenue increased 1.08mb or 1.1% to 97.82mb (9M 2023: 96.74mb) from recognition of license income and maintenance income.
- Gross profit decreased 2.28mb or 7.3% to 28.88mb (9M 2023: 31.16mb) as revenue grew +1.08mb and cost increased -3.36mb.
- Operating profit increased 0.19mb or 1.3% to 15.22mb (9M 2023: 15.03mb).

Q3 2024/Q3 2023
HR Solutions

- HR solutions revenue increased 17.56mb or 6.0% to 311.43mb (Q3 2023: 293.87mb). This increase is mainly due to increasing revenue from license income (SaaS model), payroll outsourcing income and implementation income which increased from Thailand 12.59mb or 7.8%, Indonesia 2.83mb or 2.7% and others 2.14mb or 7.7%.
- Gross profit decreased 12.83mb or 7.7% to 153.15mb (Q3 2023: 165.98mb) as revenue grew +17.56mb and cost increased -30.39mb.
- Operating profit decreased 17.52mb or 18.7% to 76.32mb (Q3 2023: 93.84mb).

Financial Solutions

- Financial solutions revenue decreased 5.02mb or 12.4% to 35.48mb (Q3 2023: 40.50mb) because revenue in the third quarter of last year was relatively high due to the recognition of revenue from some new customer projects that were supposed to be recognized in the second quarter but were postponed to be recognized in the third quarter instead.
- Gross profit decreased 3.60mb or 22.6% to 12.30mb (Q3 2023: 15.90mb) as revenue decreased 5.02mb and cost decreased +1.42mb.
- Operating profit decreased 1.10mb or 11.8% to 8.22mb (Q3 2023: 9.32mb).

The recurring and non-recurring revenue:
Table 3: The break down revenue by recurring & non-recurring revenue.
Unit: million baht

| 9M 2024 | Thailand | | | Indonesia | Other SEA | Total | % Proportion |
|-----------------------|---------------|---------------------|---------------|---------------|--------------|-----------------|---------------|
| | HR Solutions | Financial Solutions | Total | HR Solutions | HR Solutions | | |
| Recurring | 373.34 | 62.90 | 436.24 | 208.08 | 88.75 | 733.07 | 70.6% |
| Non-Recurring | 153.46 | 34.92 | 188.38 | 105.46 | 10.84 | 304.68 | 29.4% |
| Total revenues | 526.80 | 97.82 | 624.62 | 313.54 | 99.59 | 1,037.75 | 100.0% |

| 9M 2023 | Thailand | | | Indonesia | Other SEA | Total | % Proportion |
|-----------------------|---------------|---------------------|---------------|---------------|--------------|---------------|---------------|
| | HR Solutions | Financial Solutions | Total | HR Solutions | HR Solutions | | |
| Recurring | 335.18 | 55.27 | 390.45 | 185.69 | 77.97 | 654.11 | 69.3% |
| Non-Recurring | 143.80 | 41.47 | 185.27 | 99.39 | 4.46 | 289.12 | 30.7% |
| Total revenues | 478.98 | 96.74 | 575.72 | 285.08 | 82.43 | 943.23 | 100.0% |

| Q3 2024 | Thailand | | | Indonesia | Other SEA | Total | % Proportion |
|-----------------------|---------------|---------------------|---------------|---------------|--------------|---------------|---------------|
| | HR Solutions | Financial Solutions | Total | HR Solutions | HR Solutions | | |
| Recurring | 128.89 | 21.75 | 150.64 | 69.73 | 26.39 | 246.76 | 71.1% |
| Non-Recurring | 44.28 | 13.73 | 58.01 | 38.48 | 3.66 | 100.15 | 28.9% |
| Total revenues | 173.17 | 35.48 | 208.65 | 108.21 | 30.05 | 346.91 | 100.0% |

| Q3 2023 | Thailand | | | Indonesia | Other SEA | Total | % Proportion |
|-----------------------|---------------|---------------------|---------------|---------------|--------------|---------------|---------------|
| | HR Solutions | Financial Solutions | Total | HR Solutions | HR Solutions | | |
| Recurring | 114.06 | 19.01 | 133.07 | 62.84 | 25.48 | 221.39 | 66.2% |
| Non-Recurring | 46.52 | 21.49 | 68.01 | 42.54 | 2.43 | 112.98 | 33.8% |
| Total revenues | 160.58 | 40.50 | 201.08 | 105.38 | 27.91 | 334.37 | 100.0% |

9M 2024/9M 2023

Overall, the Company's recurring revenue proportion increased from 69.3% in 9M2023 to 70.6% in 9M2024 while non-recurring revenue proportion decreased from 30.7% to 29.4%. Recurring revenue reported an overall increase of 78.96mb or 12.1%. We registered stronger growth in recurring SaaS and payroll outsourcing service revenue.

Non-recurring revenue increased 15.56mb or 5.4% from 9M2023, mainly due to increasing in implementation income.

Q3 2024/Q3 2023

The Company's recurring revenue proportion increased from 66.2% in Q3 2023 to 71.1% in Q3 2024 while non-recurring revenue proportion decreased from 33.8% to 28.9%. Recurring revenue reported an overall increase of 25.37mb or 11.5%, driven by income from software and human resources system and payroll outsourcing service.

Non-recurring revenue decreased 12.83mb or 11.4% from Q3 2023, mainly due to decreasing in implementation income.

Financial Position

Table 4: Overall Financial Position

Unit: million baht

| <u>Assets</u> | As of Dec 31, 2023 | % | As of Sep 30, 2024 | % | Change YoY | % YoY |
|---|--------------------|---------------|--------------------|---------------|-----------------|---------------|
| Cash and cash equivalents | 613.03 | 15.0% | 457.93 | 11.6% | (155.10) | (25.3%) |
| Current financial assets | 93.26 | 2.3% | 42.84 | 1.1% | (50.42) | (54.1%) |
| Trade & Other receivable | 185.88 | 4.5% | 190.36 | 4.8% | 4.48 | 2.4% |
| Current contract assets | 71.06 | 1.7% | 64.57 | 1.6% | (6.49) | (9.1%) |
| Inventory | 6.35 | 0.2% | 4.91 | 0.1% | (1.44) | (22.7%) |
| Short-term loan to a third party | - | - | 126.00 | 3.2% | 126.00 | - |
| Other current Asset | 4.83 | 0.1% | 4.41 | 0.1% | (0.42) | (8.7%) |
| Non-current financial assets | 484.64 | 11.8% | 533.49 | 13.5% | 48.85 | 10.1% |
| Right to use assets | 129.98 | 3.2% | 114.13 | 2.9% | (15.85) | (12.2%) |
| Goodwill | 1,914.51 | 46.7% | 1,814.58 | 45.9% | (99.93) | (5.2%) |
| Non-Current asset | 595.80 | 14.5% | 600.09 | 15.2% | 4.29 | 0.7% |
| Total Assets | 4,099.34 | 100.0% | 3,953.31 | 100.0% | (146.03) | (3.6%) |
| | | | | | | |
| <u>Liabilities</u> | | | | | | |
| Current liability | 304.73 | 7.4% | 313.58 | 7.9% | 8.85 | 2.9% |
| Non-Current liability | 194.92 | 4.8% | 170.55 | 4.3% | (24.37) | (12.5%) |
| Total liabilities | 499.65 | 12.2% | 484.13 | 12.2% | (15.52) | (3.1%) |
| Shareholders' equity | 3,599.69 | 87.8% | 3,469.18 | 87.8% | (130.51) | (3.6%) |
| Total liabilities and Shareholders' equity | 4,099.34 | 100.0% | 3,953.31 | 100.0% | (146.03) | (3.6%) |

(a) Total assets

Total assets as of September 30, 2024 stand at 3,953.31mb, an decrease of 146.03mb or 3.6%. The decrease was mainly due to lower in goodwill 99.93mb which had loss on FX of DataOn group's goodwill USD 51.72 million to convert closing rate and cash and cash equivalent 155.10mb offset with short-term loan to other 126.00mb which was DataOn's loan to third party in Indonesia with a fixed interest rate at 12% per annum, the maturity date in December 31, 2024 and secured by collateral.

(b) Total Liabilities

Total liability as of September 30, 2024 was 484.13mb, decreasing by 15.52mb or 3.1%, mainly due to decreasing in lease liabilities 17.52mb.

(c) **Shareholders' equity**

Total shareholder's equity as of September 30, 2024 was 3,469.18mb, decreasing by 130.51mb or 3.6%, mainly due to decreasing in other components of equity 119.99mb (decreased from translation adjustments through other comprehensive income of DataOn group's goodwill) and non-controlling interests 16.03mb.

Cash Flow Statement

Unit: million baht

| | 9M 2023 | 9M 2024 |
|--|----------|----------|
| Net cash provided by (used in) | | |
| Cash Flow from Operating (CFO) | 315.89 | 333.04 |
| Cash Flow from Investing (CFI) | (143.81) | (209.29) |
| Cash Flow from Financing (CFF) | (212.75) | (276.66) |
| Net increase (decrease) in cash and cash equivalents | (40.67) | (152.91) |

Cash Flow from Operating Activities

CFO for 9M 2024 was 333.04mb mainly came from EBITDA +379.57mb. The management will consider using the surplus CFO in investment or any other activities to create better value for the Company.

Cash Flow from Investing Activities

CFI for 9M 2024 was -209.29mb mainly due to additional investment in associated companies, financial assets, software development and short-term loan to an external company.

Cash Flow from Financing Activities

CFF for 9M 2024 was -276.66mb due to finance lease payment -40.15mb and dividend payment -236.51mb.

Please be informed accordingly.

Yours sincerely,

Mr. Soontorn Dentham
Chief Executive Officer