

No. BT002/2022

February 23<sup>rd</sup>, 2023Subject: Management Discussion and Analysis for the year 2022 ending December 31<sup>st</sup>, 2022

To: President

The Stock Exchange of Thailand

Bliss Intelligence Public Company Limited and subsidiaries (“the company”) have submitted the consolidated financial statements for the year 2022 ended December 31<sup>st</sup>, 2022, which reported net loss of Baht 152.57 million, decreasing of Baht 106.57 million or 41% as compared to net loss of Baht 259.14 million in the same period of prior year. The company hereby reports the operating result as follows.

### 1. Total revenues from sales and services

The company’s total revenues were Baht 260.72 million, decreasing of Baht 33.01 million or 11% as compared to total revenues of Baht 293.73 million in the same period of prior year. Details were as follows:

- 1.1 Revenue from services amounted to Baht 180.68 million, decreasing by Baht 78.80 million or 30% as compared to Baht 259.48 million from the same period of last year mainly related to the project of service providing high-speed internet in remote area Zone C, Group 2 North 2 Region (USO) while some projects are in delivery process.
- 1.2 Revenue from sales were Baht 1.87 million, decreasing of Baht 12.16 million or 87% compared to Baht 13.93 million in the same period of prior year as the revenue from material supplied for construction projects were recognized in the prior year.
- 1.3 Other revenue of Baht 78.17 million, increasing by Baht 57.86 million or 285% compared to Baht 20.31 million due to the reversal of loss allowance for account receivables during this year.

### 2. Cost of sales and services rendered

The company’s total cost of sale and services rendered amounted to Baht 180.13 million, significantly decreasing of Baht 118.91 million or 40% compared to Baht 299.04 million in the same period of prior year in accordance with a decline in revenue. In addition, in the year 2021, the projects had been abandoned by a contractor, resulting in critical delay and significant costs of replacement.

### 3. Gross profit

The company reported gross profit of Baht 2.42 million, improving from a reported negative gross profit of Baht 25.62 million in the same period of previous year. The company’s gross profit margin was 1.33% increased as compared to -9.37% in the same period of prior year.

### 4. Total expenses

The company’s total expenses amounted to Baht 232.80 million, improved by Baht 20.03 million or 8% YoY as compared to total expenses of Baht 252.83 million in the same period of prior year. Key reasons were:

4.1 an increased in loss allowance for trade receivables of Baht 160.34 million, increased by Baht 19.89 million compared to previous year. However, it is in process of debt collection or take a legal action if it’s necessary.

4.2 financial expenses significantly decreased of Baht 26.19 million from short term loan repayment.

4.3 employee expenses decreased of Baht 8.75 million due to the company restructuring.

### Operation Performance in the year of 2022

1. In October 10, 2022, the company has received the payment for the project of service providing high-speed internet in remote area Zone C, Group 2 North 2 Region (USO) of Baht 372 million.
2. The company has managed and overcome the project's uncontrollable circumstances such as COVID-19 pandemic to keep project on progress. The projects are expected to be on delivery schedule such as
  - Construction of civil works of underground cable project at Praksa Road, Samutprakarn. The project has been delivered and be in invoice processing.
  - Construction of civil works of manhole and underground cable project at Bang Kruai - Sai Noi.
3. The financial statement of year 2022 ending December 31, 2022, the auditor has been clarified all issues and stated in the opinion with an unqualified opinion.

### Business Overview

Besides, the company manages all project in hand and keeps it on schedule and progress, the company is looking for the potential business with sustainable growth along with business partner who can help take the company to the next level is crucial for the success of any business. Details were as follows:

1. On August 3, 2022, the company has submitted applications for e-bidding participation in 2 projects of information technology skill development towards digital transformation in Universal Service Obligation (USO) Project in (Group 2: Upper Northeast) and (Group 3: Lower Northeast) as announced by Office of The National Broadcasting and Telecommunications Commission (NBTC). The value of 2 projects are approximately million 720 Baht according to its median price announcement.
2. Reference is made to Thailand's Energy Regulatory Commission ("ERC") recently issued regulations<sup>1</sup> establish Thailand's feed-in-tariff ("FiT") regime for the sale of electricity by renewable energy projects to state electricity authorities up until 2030, Bliss Innovation Company Limited (a wholly owned subsidiary) has submitted the offer for the sale of electricity to the state electricity authority since 25 November 2022.

December 9, 2022, Bliss Innovation has passed the preliminary criteria to be qualified applicant of 6 projects for the sale of electricity by renewable energy projects according to the Power of Provincial Electricity Authority's announcement.

January 25, 2023, the company received letter from ERC, notified that the company has not passed the qualified technical readiness applicants for the sale of electricity by renewable energy projects. Currently, the company is in process of appealing to ERC.

Shall there be any further update, the company will inform accordingly.

Your sincerely,

(Teerawit Charuwat)

Managing Director