

No. BT011/23

August 9<sup>th</sup>, 2023

Subject: Management Discussion and Analysis for the second quarter of year 2023

To: President

The Stock Exchange of Thailand

Bliss Intelligence Public Company Limited and subsidiaries (“the company”) have submitted the consolidated financial statements for the second quarter of year 2023 ended June 30<sup>th</sup>, 2023, **which reported net profit of Baht 1.02 million**, significantly improved as compared to net loss of Baht 29.78 million in the same period of prior year. The company hereby reports the operating result as follows.

### **The company’s operating Performance and Business Overview**

In the second quarter of year 2023, the company operated and focused on infrastructure Engineering, Procurement and Construction (EPC) management for 3 projects as follows:

1. The project of service providing high-speed internet in remote area Zone C, Group 2 North 2 Region (USO) is engaged by Office of The National Broadcasting and Telecommunications Commission (NBTC). The project is operated by JV Bliss Planet with total project value of Baht 1,867 million. In the second quarter of 2023, the company has already received Phase 8 payment of service rendering of Baht 116.59 million on May 2, 2023. It is currently on schedule of delivering of Phase 10 while Phase 9 is on the process of inspection approval with satisfying compliment.
2. The underground cable project of Praksa, Samutprakarn is engaged by National Telecom Public Company Limited (NT). The project is operated by Bliss Intelligence Pcl. with total project value of Baht 19.21 million. The project has already been completed and is expected to receive payment within September 2023.
3. The manhole and underground cable project of Bang Kruai Sai Noi engaged by The Metropolitan Electricity Authority (MEA). The project is operated by JV Bliss CW with total project value of Baht 194.98 million. Unfortunately, Thailand was severely hit by COVID-19, the situation has subsequently mitigated. Currently, the operation and the inspection of work under the ongoing second phase is back on schedule which period extension is permitted.

### **Business Outlook and the company’s Feasibility Study**

The company has business vision focusing on Bio Circular Green Economy which is national agenda. Both public and private sector pay attention to BCG in achieving environmentally friendly missions to curb global warming. Therefore, we focus on renewable green projects such as:

#### 1. The sale of electricity by renewable energy projects: Wind Energy

Although, the company has not passed the TOR technical qualification applying for PPA (Power Purchasing Agreement) from six wind energy projects of 30 MW installed capacity in Sakon Nakorn Province. Meanwhile, the company is determined to continuous improvement by collaborating with wind energy experts both locally and internationally. According to the 2023 Power Development Plan (PDP), Thailand electricity authorities are set to purchase wind energy up to 2500 MW in the near future.

#### 2. Wood Pellet Project

The company is considering to invest in manufacturing plant of environmentally friendly high-quality wood pellets. As fossil fuel reserves, the world's current main primary energy resources, are depleting and also contributing to carbon pollution and global warming. The renewable energy is a significant alternative which every country including Thailand must consider. Biofuel is renewable energy that Thailand can easily produce because biofuel can be produced from agro-waste. Thailand has a large biomass resource, unfortunately, instead of being used as fuel, the agriculturists burnt it wastefully and produce PM.2.5 and pollution to the community. We foresee the benefits of wood pellets that can replace fossil fuels.

### **Summary of financial statement analysis for the second quarter of year 2023**

#### **1. Total revenues from sales and services**

The company's total revenues were Baht 86.46 million, increasing Baht 32.53 million or 60% as compared to total revenues of Baht 53.93 million in the same period of the prior year. Details were as follows:

- 1.1 Revenue from services amounted to Baht 42.69 million, increased by Baht 5.04 million or 13% as compared to Baht 37.65 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 The other revenue of Baht 43.77 million, significantly increased by Baht 29.31 million compared to Baht 14.46 million due to the reversal of loss allowance for account receivables during this period.

#### **2. Cost of services rendered**

The company's total cost of services rendered amounted to Baht 43.96 million, slightly increased by Baht 5.46 million compared to Baht 38.50 million in the same period of the prior year due to the delayed of project operation and cost of EDC devices for a financial institution which will be ended by the year 2024.

#### **3. Gross profit**

For the above-mentioned reason, the company reported negative gross profit of Baht 1.26 million, decreased from Baht 2.45 million in the same period of the prior year. The company's gross profit margin was -2.96% as compared to 5.40% in the same period of the prior year.

#### 4. Total expenses

The company's total expenses amounted to Baht 41.40 million, improved by Baht 3.71 million or 8% YoY as compared to total expenses of Baht 45.11 million in the same period of the prior year. Key reasons were:

- loss allowance for trade receivables of Baht 15.45 million, decreased by Baht 6.13 million as compared to Baht 21.58 million in the same period of the prior year. However, it is in the process of debt collection or taking legal action if it's necessary.
- employee expenses decreased of Baht 1.64 million due to the company cost restructuring.

Please be informed accordingly.

Your sincerely,

(Teerawit Charuwat)

Managing Director