

No. BT012/23

November 9th, 2023

Subject: Management Discussion and Analysis for the third 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 third quarter of year 2023 ended September 30th, 2023, **which reported net profit of Baht 6.26 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 third quarter of year 2023, the company has been operating and focusing on infrastructure Engineering, Procurement and Construction (EPC) management for three 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 has been operating 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 9 service payment of Baht 116.59 million on September 20, 2023. It is currently in the process of project delivery of Phase 10.
In addition, the NBTC has a policy to extend universal obligation service in the area of public health, general service-lacking and public security, **the company is in process of applying telecom licensing type 3 to NBTC to assessing the company’s operation readiness in the future projects.**
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 by November 2023.**
3. The manhole and underground cable project of Bang Kruai Sai Noi engaged by The Metropolitan Electricity Authority (MEA). The project has been operating 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 until the end of the year 2024 is permitted. **Currently, the project progress has achieved 27.60% as planned.**

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 continue improvement by collaborating with wind energy experts initially with anemometer installation preparation in potential areas.** According to the 2023 Power Development Plan (PDP), Thailand electricity authorities are set to purchase wind energy up to 1,500 MW in the near future.

2. Wood Pellet Project

The company is considering investing in a manufacturing plant of environmentally friendly high-quality wood pellet. 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 pellet that can replace fossil fuels.

Summary of financial statement analysis for the third quarter of year 2023

1. Total revenues from sales and services

The company's total revenues were Baht 84.96 million, increasing Baht 39.83 million or 88% as compared to total revenues of Baht 45.13 million in the same period of the prior year. Details were as follows:

- 1.1 Revenue from services amounted to Baht 52.66 million, increased by Baht 9.85 million or 23% as compared to Baht 42.81 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 32.27 million, significantly increased by Baht 29.95 million compared to Baht 2.32 million due to the reversal of loss allowance for account receivables during this period.

2. Cost of sales and services rendered

The company's total cost of services rendered amounted to Baht 53.41 million, increased by Baht 10.89 million or 26% as compared to Baht 42.52 million in the same period of the prior year due to the delayed of the manhole and underground cable project of Bang Kruai Sai Noi 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 0.75 million, decreased from Baht 0.28 million in the same period of the prior year. The company's gross profit margin was -1.42% as compared to 0.66% in the same period of the prior year.

4. Total expenses

The company's total expenses amounted to Baht 25.34 million, slightly increased by Baht 1.42 million or 6% YoY as indifferent to total expenses of Baht 23.92 million in the same period of the prior year as follow:

- loss allowance for trade receivables of Baht 3.0 million, decreased by Baht 4.9 million as compared to the same period of the prior year.

Please be informed accordingly.

Your sincerely,

(Teerawit Charuwat)

Managing Director