

[TRANSLATION]

JTS/RCD-017/2566

November 7, 2023

Subject : Report on the Company's operating results for the third quarter of 2023
Attention : President of the Stock Exchange of Thailand

The Board of Directors' Meeting No.8/2023 of Jasmine Technology Solution Public Company Limited (the "Company") convened on November 7, 2023 has resolved to approve the consolidated financial statements for 3Q 2023, ended on September 30, 2023 that have been accordingly reviewed by the Company's external auditor and by the Audit and Corporate Governance Committee at the meeting No.5/2023 convened on November 7, 2023. Also, on this occasion, the Company would like to report its operating results as detailed below:-

Three-Month-Period Performance Comparison

Unit: Million Baht

	3Q2023	2Q2023	3Q2022	QoQ		YoY	
				Inc (Dec)	%	Inc (Dec)	%
Revenue from Sales & Services:							
Telecom System Integration business	21.03	19.06	129.78	1.97	10.34	(108.75)	(83.80)
Telecommunication Services business	509.97	513.03	471.49	(3.06)	(0.60)	38.48	8.16
Computer System Integration business	17.26	17.73	13.04	(0.47)	(2.65)	4.22	32.36
Cryptocurrency Mining Revenue	32.56	28.94	56.03	3.62	12.51	(23.47)	(41.89)
Gains on Exchange Rate	6.42	9.93	20.55	(3.51)	(35.35)	(14.13)	(68.76)
Other Income	0.69	0.48	0.23	0.21	43.75	0.46	200.00
Total Revenue	587.93	589.17	691.12	(1.24)	(0.21)	(103.19)	(14.93)
Cost of Sales and Services	353.72	375.21	457.81	(21.49)	(5.73)	(104.09)	(22.74)
Cost of Bitcoin Mining Business	135.56	127.25	161.76	8.31	6.53	(26.20)	(16.20)
Selling and Administrative Expenses	51.70	51.57	38.39	0.13	0.25	13.31	34.67
Reversal of Loss on Impairment of Cryptocurrency Assets			0.62			(0.62)	(100.00)
Expected Credit Loss	1.64	0.90	(13.78)	0.74	82.22	15.42	111.90
Net Profit (Loss)	(10.27)	8.31	4.64	(18.58)	(223.59)	(14.91)	(321.34)
EBITDA	241.79	178.97	205.47	62.82	35.10	36.32	17.68
Net Profit (Loss) of Shareholders' Equity of the Company	(10.37)	8.21	4.59	(18.58)	(226.31)	(14.96)	(325.93)

The operating results for 3Q 2023, ended on September 30, 2023: The loss profit of the Company and its subsidiaries was 10.27 million Baht, increasing by 14.91 million Baht or 321.34% compared to 3Q 2022 and increasing by 18.58 million Baht or 223.59% compared to 2Q 2023. Details are as follows:-

Total Revenue

The total operating revenue of the Company and its subsidiary for 3Q 2023 was 580.82 million Baht, decreasing by 89.52 million Baht or 13.35% compared to 3Q 2022 and increasing by 2.06 million Baht or 0.36% compared to 2Q 2023. The total revenue comprised:-

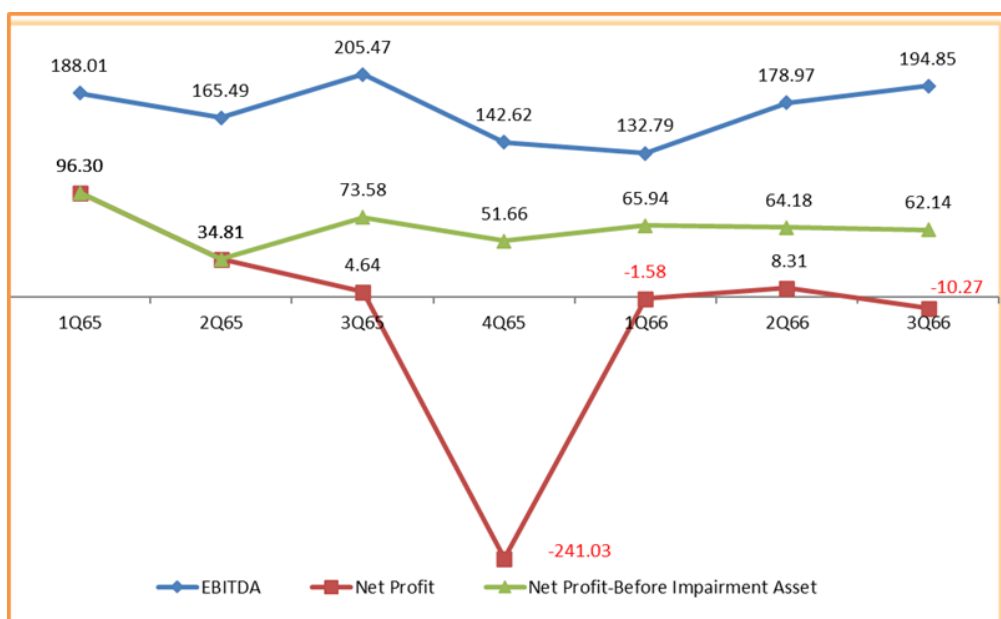
- The revenue obtained from Telecom System Integration business was 21.03 million Baht, decreasing by 108.75 million Baht or 83.80%, due to the decreasing revenue from selling the server to 2 major clients by 85.71 million Baht, constructing Horizontal Directional Drilling (HDD) by 14.96 million Baht, selling and installing Closed-Circuit Television (CCTV) by 3.08 million Baht, and providing computer network service and integrated wireless connection service for petrol stations by 7.81 million Baht. However, revenue from selling and implementing Solar Roof increased by 2.81 million Baht.
- The revenue obtained from Telecommunication Services business was 509.97 million Baht, increasing 38.48 million Baht or 8.16% due to the increased revenue in Domestic Leased Line service of 11.70 million Baht, International Private Leased Circuit service of 27.41 million Baht, used by the telecommunication service provider in Singapore, Malaysia, and Vietnam. However, equipment selling and implementing revenue decreased by 0.63 million Baht.
- The revenue obtained from Computer System Integration business was 17.26 million Baht, increasing by 4.22 million Baht or 32.36% due to the projects undertaken by the Bangkok Metropolitan Administration related to the development of receiving and payment system of 3.55 million Baht and Cloud Service of 1.09 million Baht, however, the revenue obtained from maintenance service decreased by 0.42 million Baht.
- The revenue obtained from Cryptocurrency Mining was 32.56 million Baht, decreasing by 23.47 million Baht or 41.89 %. As for 3Q 2023, the Company increased 33.22983528 bitcoins as it increased from 2Q 2023 by 3.03426860 bitcoins and altogether remaining 206.63695112 bitcoins.
- Gains on exchange rate was 6.42 million Baht, decreasing by 14.13 million Baht or 68.76%
- Other revenue was 0.69 million Baht, increasing by 0.46 million Baht or 200.00%

Costs and Expenses

The cost of sales and services, the selling and servicing expenses, and administrative expense in 3Q 2023 were 542.62 million Baht, decreasing by 102.18 million Baht or 15.85% compared to 3Q 2022 and decreasing by 12.31 million Baht or 2.22% compared to 2Q 2023. The total costs and expenses comprised:

- Cost of sales and services was 353.72 million Baht, decreasing by 104.09 million Baht or 22.74% due to the decrease in costs and expenses of Telecom System Integration business of 99.93 million Baht and Telecommunication Services business of 6.66 million Baht, however, cost and expenses of Computer System Integration business increased by 2.50 million Baht.
- Bitcoin mining cost was 135.56 million Baht, comprised with the cost related to bitcoin mining of 63.15 million Baht or 46.58% and the unrealized loss from the impairment of building and equipment for bitcoin mining business operation of 72.41 million Baht or 53.42%.
- Selling and administrative expenses were 51.70 million Baht, increasing by 13.31 million Baht or 34.67%, comprised with the employee expense of 8.40 million Baht as the number of employees was increased, the office lease and service cost of 0.46 million Baht, bank charges of 0.22 million Baht, and loss in bitcoin selling in the amount of 38.06076970 bitcoins, but other advisor expense decreased by 0.76 million Baht.
- Expected Credit Loss (allowance for doubtful accounts) of 1.64 million Baht pursuant to Thai Financial Reporting Standards 9 (TFRS9).
- In 2Q and 3Q 2023, there is no recording of impairment of cryptocurrency assets acquired from mining pursuant to Thai Accounting Standard 38 (TAS38) Re: Intangible of Assets since the capital value of mined and recorded cryptocurrency assets is lower than fair value (market price) of bitcoin. As of September 30, 2023, the market value is 26,967.92 USD per bitcoin.

Net Profit Graph



The Company and its subsidiaries' profit from the operation before interest, tax, depreciation, and amortization (EBITDA) was 194.85 million Baht in 3Q 2023, decreasing by 10.62 million Baht or 5.17% compared to 3Q 2022, but increased by 15.88 million Baht or 8.87% compared to 2Q 2023.

According to the graph, in 3Q 2023, in case that an unrealized loss from the impairment of building and equipment for bitcoin mining business operation are excluded, the Company's net profit will be 62.14 million Baht, decreasing by 11.44 million Baht or 15.55% compared to 3Q 2022.

2023 Business Plan and Goal

Progress report on business plan execution of JTS subsidiaries which the Company hold 100% of shares is as follows. Jastel Network Company Limited (JasTel), a subsidiary in which the Company holds a 100% share, operating as a telecommunication and internet service provider both domestically and internationally, has expanded Data Center at Jasmine International Tower to enhance its capabilities and strengthen its leadership position in the data center market, also be committed to meeting customer needs and supporting Generative AI business expansion in the future, expected to be completed in 2Q 2024.

For bitcoin mining business, although there have been some sales of Bitcoin to prepare for future use as expenses in Bitcoin mining since the average price of Bitcoin declined from 30,056.38 USD in July to 27,866.07 USD in August, with a further drop to 26,307.33 USD in September, the current Bitcoin price has rebounded, surpassing 35,000 USD in early November. This significant increase has motivated the ongoing Bitcoin mining operations.

In addition, after signing a collaboration agreement with KT Corporation (KT) in October, the Company and KT have together planned to provide Generative AI services, including outlined a roadmap for new business areas, which is set to launch in Thailand as the first location in 2024 and aimed to expand these services to other countries across Southeast Asia in the future.

Sincerely yours,
Jasmine Technology Solution Public Company Limited.

[Sang Do Lee]
(Mr. Sang Do Lee)
President