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SET\_DV8-2022005

February 24<sup>th</sup>, 2022

**Subject:** Management and Discussion and Analysis  
for the year ended as of 31 December 2021

**To:** President  
The Stock Exchange of Thailand

As DV8 Public Company Limited (“Company”) has submitted the Company and its subsidiaries’ financial statement for the year ended as of 31 December 2021, audited by certified public accountant, the Company shall explain the Company and its subsidiaries’ operation results in comparison with the same period of 2020 as follow.

### **Revenue**

In 2021, the Company and its subsidiaries’ operating revenues and other revenues were 204.42 million baht in total, decreased 6.12 million baht or 2.91% from the previous year revenues of 210.54 million baht. Details are as follow.

- Advertising revenues: In 2021, the Company’s advertising revenues were 101.34 million baht, decreased 25.64 million baht or 20.19% from the previous year advertising revenues of 126.98 million baht, due to the effect from Covid-19 that caused a decrease in product owners’ point of purchase radio advertising usage.
- Sale revenues: In 2021, the Company’s sales revenues were 79.66 million baht, increased 30.13 million baht or 60.83% from the previous year of 49.53 million baht. Most of the revenues were from sale of LED displays to the Office of the Permanent Secretary for the Interior in “Public Awareness Raising via Smart Signage” project.
- Income from construction contract: In 2020, the Company signed a joint venture agreement with Dee Lighting International Co., Ltd., under the name of DCORP-DLI Joint Venture to participate e-bidding for “Public Awareness Raising via Smart Signage” project in accordance with the announcement of Office of the Permanent Secretary for the Interior. After the joint venture won the bidding, it delivered plan and construction procedure of the digital signage project for 76 provinces to the Parcel Inspection Committee. Receiving the approval, the joint venture entered the signage construction agreement in 2020 and started the construction in 2021. It generated income from construction of 14.61 million baht. The Company did not generate this type of income in 2020.
- Profit from sales of other long-term investment: In 2020, the Company sold the capital of Aukkrarawat Plants Renewable Energies Co., Ltd. at 14.00 million baht. Such investment impairment loss had been recognized in full amount, and the Company recognized profit from the sale of the investment in full amount. The Company did not generate this type of income in 2021.



- Other income in 2021 was 8.81 million baht, decreased 11.22 million baht or 56.02% from the previous year of 20.03 million baht. Most differences were from transferring back damage allowance from litigation liability established in 2019.

## Cost

In 2021, the Company's total cost was 171.03 million baht, increased 38.87 million baht or 29.41 from the previous year of 132.16 million baht. It consisted of advertising cost of 88.43 million baht, sale cost of 71.49 million baht and construction cost of 11.11 million baht as mentioned above.

## Expense

- Administrative expenses were 47.57 million baht, decreased 9.16 million baht or 16.15% from the previous year of 56.73 million baht. Since the Company's media income was decreased, the administrative expenses were reduced.
- The executive compensation was 27.15 million baht, increased 9.55 million baht or 54.26% from the previous year of 17.60 million baht. Since in 2021, there was organization restructure to support the Company's operation plan, the expense regarding the executives increased.
- The loss share in the associated companies was 1.98 million baht due to the Company's investment in Revolution Of Digital Employee Experience Co., Ltd. to operate business in making and providing service regarding organization management application.

## Operating Result

The net loss was 46.63 million baht; it had included profit of the non-controlling interests of 0.75 million baht. Thus, the parent company's net loss was 47.38 million baht, decreased from the previous year which had resulted as net profit, due to the operating result mentioned above.

## Financial Position

### Total Asset

The Company's total asset in 2021 was 536.53 million baht, decreased 77.07 million baht or 12.56% from the previous year of 613.60 million baht. The Company's asset as of the end of 2021 consisted of 77.43% of current asset and 22.57% of fixed asset. the details of significant asset can be summarized as follow.

- Account receivable and other receivable were 127.78 million baht, decreased 27.50 million baht or 17.71% from the previous year of 155.28 million baht. Most account receivable were from advertising income. Most other receivable for operating consisted of awaiting VAT refund, other receivable and advanced contractor allowance.
- Asset from contracts in 2021 was 37.64 million baht. It was from the amount the Company had not collect from the Office of the Permanent Secretary for the Interior for construction regarding "Public Awareness Raising via Smart Signage" project.



- Inventory consisted of Hinoki wood products and LED display screens, in the amount of 17.91 million baht, decreased 31.99 million baht from the previous year of 49.90 million baht. Most of the decrease was because the LED display screens had been delivered to the Office of the Permanent Secretary for the Interior.
- Other current financial assets were 160.00 million baht since the Company's fixed cash deposit at a financial institution.
- Collateral deposit at the end of year 2021 was 60.42 million baht. The purpose was to issue the letter of guarantee for receiving advanced payment and guarantee contract of employment regarding "Public Awareness Raising via Smart Signage" project.
- Investment in associated companies in 2021 was 4.02 million baht. It was from the Company's investment in Revolution Of Digital Employee Experience Co., Ltd. in order to operate business in making and providing service regarding organization management application.
- Right-of-use asset at the end of year 2021 was 19.12 million baht, decreased from the previous year of 20.56 million baht. The asset was from consideration of lease contract to be in accordance with Thai Financial Report Standards no.16. It was the office lease contract with an unrelated company, implemented since 2020.
- Intangible asset at the end of year 2021 was 7.96 million baht, decreased from the previous year of 16.01 million baht. It was from writing off advertising business patent that the Company had acquired asset from N.E.X.T. Company Limited by the term of patent.

#### Total Liability

The Company's total liability in 2021 was 79.37 million baht, decreased 37.71 million baht or 28.55% from the previous year of 111.08 million baht. The Company's liability as of the end of 2021 consisted of 70.19% of current liability and 20.81% of non-current liability. the details of significant liability are summarized as follow.

- Account payable and other current payables were 28.68 million baht, decreased 15.89 million baht from the previous year of 44.57 million baht. The reduced account payable was mostly from advertising business operating. Other current payables consisted of accrued expense, not-due output tax, other payables and deferred income.
- Liability from contracts was 25.77 million baht, decreased 15.44 million baht or 37.47% from the previous year of 41.21 million baht. It was from a gradual writing-off of advanced payment from the Office of the Permanent Secretary for the Interior when delivering works regarding "Public Awareness Raising via Smart Signage" project.
- Liability under the lease agreement was 18.82 million baht, decreased 1.26 million baht or 6.27% from the previous year of 20.08 million baht due to the consideration of lease contract to be in accordance with Thai Financial Report Standards no.16. It was the office lease contract with an unrelated company, implemented since 2020.



## Liquidity

### Cash Flow

The Company's cash and cash equivalent as of 31 December 2021 were 66.99 million baht, decreased 204.96 million baht from the end of 2020. The details on sources and applications of cash are as follows.

- Net cash used in operating activities was 43.47 million baht, mostly from the decrease in account payable and operating loss.
- Net cash used in investing activities was 159.18 million baht, mostly from the increase in other current financial assets.
- Net cash used in financing activities was 2.31 million baht, mostly from the cash paid for financial lease liability.

### Liquidity Ratio

The Company's liquidity ratio during 2020-2021 was 5.53 times and 7.46 times, in the respective order. The Company's current asset decreased in cash and cash equivalent, inventory, account receivable and other current receivables. The current liability decreased in contract liability, account payable and other current payables. However, in case the Covid-19 continues in 2022, the Company still maintains liquidity for operating since the Company's current asset is adequate for paying off current liability under the liquidity ratio mentioned above.

Please be informed accordingly.



Yours Sincerely,  
*Nathaphol Kasamvilas*  
- Nathaphol Kasamvilas -

(Mr. Nathaphol Kasamvilas)  
Chief Executive Officer