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SET_DV8-2022013

May 12th, 2022

To: The President
The Stock Exchange of Thailand

Subject: Management Discussion and Analysis
Quarter 1 ended March 31, 2022

DV8 Public Company Limited (the "Company") would like to notify the financial statements of the Company and its subsidiaries for the first quarter ended March 31, 2022 reviewed by the certified auditor as follows.

Revenues

In the first quarter ended March 31, 2022, the Company's operating revenues and other revenues totaled Baht 29.13 million, decreased from the same quarter of last year of Baht 102.63 million. The decrease of Baht 73.50 million or 71.62% was mainly from the following items:

- Sales revenue, compared to the same quarter of last year, amounted to Baht 79.66 million, mainly generated from the selling of LED display monitors to the Office of the Permanent Secretary of the Interior in accordance with the Project of Smart Public Awareness Program with intelligent public relation sign. But in the first quarter of 2022, there was no such revenues.
- Revenues from construction project, in 2020, the Company signed a joint venture agreement with Delighting International Co., Ltd. named the DCORP-DLI Joint Venture to submit electronic tender for the Project of Smart Public Awareness Program with intelligent public relation sign, as announced by the Office of the Permanent Secretary of the Interior. When the set up joint venture won the tender, the plan and procedures for construction of digital publicity signages for the 76 provinces were submitted to the Goods Inspection & Acceptance Committee. Upon approval, the joint venture entered into a signing contract in 2020 and started construction works in 2021. These generated the Company's construction revenue in the first quarter ended March 31, 2022 of Baht 4.27 million whereas there was none in same quarter of last year.
- Profit from disposition of investments in Associates amounted to Baht 2.76 million due to the disposition of investments in the Company named Revolution of Digital Employee Experience Co., Ltd., which operates business in preparation and service providing the applications for corporate management.



- Other revenues of Baht 1.54 million, decreased by Baht 0.87 million or 36.10%, from the same quarter of last year of Baht 2.41 million. The Company's other income mainly consisted of interest income and profit from assets disposal.

Cost

In the first quarter ended March 31, 2022, the Company's total cost was Baht 19.04 million, decreased by Baht 70.54 million or 78.75%, from the same quarter of last year of Baht 89.58 million. Cost incurred according to the revenues in this quarter, consists of media-advertising costs of Baht 17.70 million and construction cost of Baht 1.34 million.

Expenses

- Administrative expenses of Baht 9.16 million decreased by Baht 2.95 million or 24.36%, from the same quarter of last year of Baht 12.11 million, affected from the Company's restructure of employees.
- Executive Remuneration of Baht 5.03 Million, decreased by Baht 2.09 million or 29.35%, from the same quarter of last year of Baht 7.12 million, affected from the Company's new organization management structure.
- Financing costs of Baht 0.29 million, decreased by Baht 0.22 million or 43.14%, from the same quarter of last year of Baht 0.51 million, due to the recognition of the contract period.
- Share of losses in Associates amounted to Baht 0.28 million, decreased by Baht 0.24 million or 46.15%, from the same quarter of last year of Baht 0.52 million, since the Company sold its investment in Revolution of Digital Employee Experience Co., Ltd.. As a result, the loss sharing in Associates decreased.

Operating Results

In the first quarter ended March 31, 2022, the Company showed a net loss of Baht 4.67 million. This net loss included the profit of non-controlling interests of Baht 0.18 million, resulting in a net loss attributable to the parent company of Baht 4.85 million since the Company has performance as mentioned above.

Financial Position

Total Assets

The Company has total assets as of March 31, 2022 of Baht 537.26 million and as of December 31, 2021 of Baht 536.53 million, an increase of Baht 0.73 million or 0.14%. The Company's assets as at March 31, 2022 included 77.09% current assets and 22.91% non-current assets.



Total Liabilities

The Company had total liabilities as of March 31, 2022 of Baht 84.77 million and as of December 31, 2021 of Baht 79.37 million , an increase of Baht 5.40 million or 6.80%. The Company's liabilities as at March 31, 2022 included 71.82% current liabilities and 28.18% non-current liabilities.

Liquidity

Cash flow

The Company has cash and cash equivalents as of March 31, 2022 of Baht 68.42 million. Details of the source and use of cash are as follows:

- Net cash used in operating activities of Baht 0.61 million. This is mainly due to a decrease in inventories and assets caused by contracts.
- Net cash received from investment activities of Baht 2.61 million. This is mainly due to cash received from the disposition of investments in Associates.
- Net cash used in financing activities of Baht 0.58 million, caused by cash payment of financial lease liabilities

Liquidity ratio

The Company's liquidity ratio as of March 31, 2022 was 6.80 times, which the Company reduced current assets and increased current liabilities compared to those as of December 31, 2021 which had a liquidity ratio of 7.46 times. In most cases, the Company has reduced current assets in respect of trade receivables and other current receivables, and has increased current liabilities on the part of trade creditors and other current payables. Therefore should there is still pandemics of Covid-19, the Company still maintain adequate liquidity for operations since the Company has enough current assets to pay off current liabilities under liquidity ratios as mentioned above.

Please be informed accordingly.



Yours Sincerely,

(Mr. Nathaphol Kasamvilas)

Chief Executive Officer