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SET_DV8-2022021

November 10th, 2022

To: The President
The Stock Exchange of Thailand

Subject: Management Discussion and Analysis for the Third Quarter ended September 30, 2022

DV8 Public Company Limited (the "Company") has submitted the financial statements of the Company and its subsidiaries for the third quarter ended September 30, 2022, which have been reviewed by the Certified Public Accountant. The Company would like to clarify the operations of the Company and its subsidiaries as follows.

Revenues

For the third quarter ended September 30, 2022, The Company had operating and other revenues totaling Baht 37.84 million, decreased from Baht 38.48 million of the same period last year, the amount was Baht 0.64 million, or a decrease of 16.78%, which was significant changed from the following transactions:

- Media revenue amounted to Baht 34.35 million. This is up from Baht 28.28 million from the same period last year of Baht 6.07 million. The increase of 21.27% was largely due to the Company increased advertising media at point-of-sale in more department stores and its ability to host more events up from the same period last year.
- Revenue from the commissioning of the Public Awareness Project with Smart Signage by the Office of the Permanent Secretary of the Ministry of Interior, to carry out the construction of digital signage for 76 provinces amounted to Baht 2.52 million, a decrease of Baht 6.47 million or 72.03% from the same period last year of Baht 8.99 million, because the Company was able to recognize the success of construction works, slightly reduced from the same period last year.
- The Company's other income is mainly interest income, amounting to Baht 0.97 million, a decrease of Baht 1.21 million from the same period last year.



Cost

For the third quarter ended September 30, 2022, the Company had total costs of Baht 30.24 million, increased from Baht 25.58 million from the same period last year, amounting to Baht 4.66 million or an increase of 18.22%. The Company's revenues accrued in this period consisted of media costs of Baht 28.17 million and construction costs of Baht 2.07 million.

Expenses

- Selling and Servicing expenses amounted to Baht 1.35 million. An increase of Baht 0.45 million or 49.50% from Baht 0.91 million in the same period last year since the Company had increased its revenues.
- Administrative expenses amounted to Baht 9.58 million. A decrease of Baht 3.07 million or 24.25% from Baht 12.65 million from the same period last year due to the Company's new employee restructuring
- Executive remuneration amounted to Baht 4.89 million. A decrease of Baht 2.60 million or 34.71% from Baht 7.49 million from the same period last year due to the Company's new restructuring of management level.
- Financial costs amounted to Baht 0.27 million. A decrease of Baht 0.24 million or 47.14% from Baht 0.51 million from the same period last year in according with the recognition of the contract period.
- The Company has disposed of its investments in associates, resulting in no share of the losses in the associated companies in the current period. This was down from 0.41 million baht in the same period last year.

Operating Results

For the third quarter ended September 30, 2022, the Company had a net loss of Baht 8.50 million. Such net loss had included a loss of non-controlling interests of Baht 0.18 million. The Company had a net loss attributable to the parent company of Baht 8.32 million as per above-mentioned performance.

Financial Position

Total Assets

The Company's total assets as of September 30, 2022 amounted to Baht 530.83 million and as of December 31, 2021 amounted to Baht 536.53 million. A decrease of Baht 5.70 million or decrease 1.06%. The Company assets as of September 30, 2022 consisted of current assets accounting for 76.09% and non-current assets 23.57%. Most of which have changed from the following items:



- Inventories amounted to Baht 52.09 million. An increase of Baht 34.18 million or 190.84% from Baht 17.91 million from the previous year due to the Company stocked LED display monitors which is under checking before more delivery to the Office of the Permanent Secretary of the Ministry of Interior in accordance with the Public Awareness Project with Smart Signage.
- Other current financial assets amounted to Baht 100.00 million. A decrease of Baht 60.00 million or 37.50% from Baht 160.00 million from the previous year due to the Company managed fixed deposits to use as working capital of the company.
- Investments in associated companies decreased from the previous year Baht 4.02 million because the Company has sold its investments in Revolution of Digital Employee Experience Co., Ltd., which operates the business of producing and providing applications for corporate management.
- Renovation of rental buildings, fixtures and equipment Baht 25.45 million. An increase of Baht 7.05 % from Baht 18.40 million from the previous year because the Company has increased department stores to sell advertising media at the point of sales, it was necessary to install more equipment for broadcasting.
- Other non-current assets amounted to Baht 14.62 million. An increase of Baht 3.46 million or 31.00% from Baht 11.16 million from the previous year, mainly due to withholding income tax.

Total Liabilities

The Company's total liabilities as of September 30, 2022 amounted to Baht 90.73 million and as of December 31, 2021 amounted to Baht 79.37 million. An increase of Baht 11.36 million or increase 14.31%. The Company's liabilities as of September 30, 2022 consisted of current liabilities accounting for 73.67% and non-current liabilities 26.33%. Majority from trade creditors and other current creditors amounting to Baht 38.93 million as of September 30, 2022. An increase of Baht 10.25 million or 35.74% from Baht 28.68 million from the previous year, mainly due to increase of trade creditors and accrued expenses.

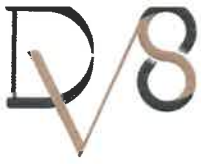
Liquidity

Cash flow

The Company has cash and cash equivalents as of September 30, 2022 amounted to Baht 75.88 million.

Details of the source and use of cash are as follows:

- Net cash spent from operating activities was Baht 42.57 million. This is mainly due to the increase in inventories and assets generated by contracts.
- Net cash was derived from investment activities of Baht 53.19 million. This is mainly due to a decrease in other current financial assets.



- Net cash spent from financing activities was Baht 1.73 million arising from cash paying financial lease liabilities.

Liquidity ratio

The Company's liquidity ratio as of September 30, 2022 was 6.04 times, with the Company's current assets decreasing and current liabilities increasing compared to December 31, 2021, which had a liquidity ratio of 7.46 times. For the most part, the Company has reduced its current assets in respect of other current financial assets and increased current liabilities on the part of trade creditors and other current payable.

Please be informed accordingly.

Yours Sincerely,



(Mr. Nathaphol Kasamvilas)

Chief Executive Officer