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SET_DV8-2023016

May 11th, 2023

To: The President
The Stock Exchange of Thailand

Subject: Management Discussion and Analysis for Quarter 1 ended March 31, 2023

DV8 Public Company Limited (the "Company") has submitted the financial statements of the Company and its subsidiaries for the first quarter ended March 31, 2023 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 first quarter ended March 31, 2023, the Company had operating income and other income totaling Baht 22.99 million, decreased from Baht 29.12 million of the same period of the previous year, representing to Baht 6.13 million or a decrease of 21.05%, which was mainly changed from the following items:

- **Revenue from Advertising Media**, the Company had advertising media revenue amounted to Baht 22.66 million. An increase from Baht 20.56 million in the same period last year. The increase of Baht 2.10 million or 10.23% was mainly from the sale of advertising media at the point-of-sale and organizing the events.
- **Revenue from Construction Works**, - In 2020, the Company signed a joint venture agreement with Delighting International Co., Ltd. and named DCORP-DLI Joint Venture to participate the e-bidding for Public Awareness Raising via Smart Signage project in according to the announcement of the Office of the Permanent Secretary of the Ministry of Interior. After the established joint venture won the bidding, the plan and procedures for the construction of digital signage under the project for 76 provinces were submitted to the Parcel Inspection Committee. Upon approval, the joint venture entered into a signed construction contract in 2020 and started construction in 2021, which the Company had construction revenue for the first quarter ended March 31, 2022 amounting to Baht 4.27 million. The Company has already recognized all project revenues in 2022.



- **Gain from Sale of Investment in Associated Companies** for the first quarter ended March 31, 2022 amounted to Baht 2.76 million. The Company sold its investment in Revolution of Digital Employee Experience Co., Ltd., which operates the application service for corporate management.
- **Other income** amounted to Baht 0.33 million, decreased Baht 1.21 million or 78.57% from Baht 1.54 million in the same period last year. The Company earned less interest income and less profit from sale of investments and assets.

Cost

For the first quarter ended March 31, 2023, the Company had total media costs of Baht 18.59 million, increased from Baht 17.70 million from the same period last year, representing to Baht 0.89 million or an increase of 5.02%, which was due to the Company's media revenue increasing by Baht 2.10 million or an increase of 10.23%.

Expenditure

- **Expenses for sales and services** of Baht 1.33 million, an increase from Baht 0.98 million from the same period last year, representing to Baht 0.35 million or an increase of 36.26% due to the Company's increased media revenue.
- **Administrative expenses** amounted to Baht 13.56 million, an increase from Baht 8.18 million of the same period last year, representing to Baht 5.38 million or an increase of 65.76%. These were mainly due to the Company realizing a credit allowance for prepaid expenses and adjusting the withholding tax as part of the expenses after an audit for tax refund from the Revenue Department.
- **Finance costs** amounted to Baht 0.08 million, a decrease of Baht 0.22 million or a decrease of 73.72% from Baht 0.29 million of the same period last year. This was due to the recognition of finance cost according to the contract period.
- **Share of loss in associated company** of Baht 0.28 million for the same period of the previous year. The Company sold its investment in Revolution of Digital Employee Experience Co., Ltd. thereby decreasing its share of losses in associated company.

Results

For the first quarter ended March 31, 2023, the Company had a net loss. In the amount of Baht 15.45 million, such net loss included the profit of non-controlling interests amounting to Baht 0.08 million, resulting in the Company's net loss attributable to the parent company amounting Baht 15.37 million. The operating results were due to the performance as mentioned above.



Financial Position

Assets

The Company's total assets as at March 31, 2023 amounted to Baht 496.94 million and as at December 31, 2022 of Baht 517.79 million, a decrease by Baht 20.85 million or 4.03%. The Company's assets as at March 31, 2023 comprised current assets of 78.28% and non-current assets of 21.72

Liabilities

The Company's total liabilities as at March 31, 2023 amounted to Baht 68.60 million and as at December 31, 2022 of Baht 74.00 million, a decrease by Baht 5.40 million or 7.29%. The Company's liabilities as at March 31, 2023 consisted of current liabilities of 90.61% and non-current liabilities of 9.39%.

Liquidity

Cash flow

The Company's cash and cash equivalents as at March 31, 2023 amounted to Baht 112.26 million. Details of the source and use of cash are as follows:

- **Net cash used from operating activities** was Baht 8.86 million. This was mainly due to the decline of trade creditors and other current creditors.
- **Net cash provided by investment activities** was Baht 0.89 million. This was mainly due to cash received from interest income.
- **Net cash used from financing activities** was Baht 1.05 million arising from cash payments for financial lease liabilities.

Liquidity Ratio

The Company's liquidity ratio as at March 31, 2023 was 6.26 times. The Company has decreased current assets in respect of cash and cash equivalents, account receivables and other current receivables, and decreased in current liabilities in respect of trade payables and other current payables. Nevertheless, if there are external factors that the Company cannot be carried out as normally as in the past, the Company still has liquidity in its operations as the Company has sufficient current assets to repay its current debts at the liquidity rate as initially mentioned. Please be informed accordingly.



Legal Disputes

Summary of the status of litigation between the Company and/or its subsidiaries underway as of March 31, 2023

1) Muse Group Bangkok Co., Ltd. - Defendant

Status as of report date It's pending by the Supreme Court

Litigation Start Date January 8, 2015

History

- Muse Group Bangkok Co., Ltd. is a debtor under the contract to operate the European Thailand Classic Golf Program, since the tournament ended in February 2015, Muse Group Bangkok Co., Ltd. has only partially settled to the Company and has been deflecting the repayment of the remaining debt.
- The Company filed a lawsuit against Muse Group Bangkok Co., Ltd. as a defendant in Bangkok South Civil Court under the contract to run the Thai Classic Golf Tournament. Total litigation capital of 113,574,762.20
- On November 27, 2017 the Court of Justice ruled that the defendants should pay 18,253,248.40 with interest rates of 7.5 per annum from the following June 15, 2015 until the payment is completed to the plaintiff. Customary fees to be folded
- Both parties have filed an appeal against the judgement of the Court of First Instance.
- On March 25, 2019 the Bangkok South Civil Court read the appeals court's decision to "sentence the defendant to pay 57,201,682.21 with interest rate of 7.5% per annum from July 14, 2016 onwards until the payment is completed to the plaintiff. The customary fees in the appeal stage to be folded."
- On October 25, 2022, The Civil Court of Southern Bangkok read the verdict of the Supreme Court, "the judgment upheld the Appeal Court."



2) 94 Entertainment Co., Ltd. – Defendant

Status as of report date In the process of execution in the enforcement class. – The Enforcement Officer has proceeded to seize assets at the defendant's office and it appeared that the defendant's company did not have any assets.

Litigation Start Date December 8, 2016

History

- 94 Entertainment Co., Ltd. is a co-production contractor owed a total of approximately 40 MB for co-production. The Company later terminated the contract, cut the broadcast signal, and called on 94 Entertainment Co., Ltd. to repay all debts.
- July 1, 2015: 94 Entertainment Co., Ltd. has contacted for negotiations and has agreed to a debt restructuring contract and accepted debt conditions, but the debtor has paid only three installments (totaling 1.5 MB) and defaulted.
- December 8, 2016: The Company filed a lawsuit against 94 Entertainment Co., Ltd. With the Civil Court, total capital litigation of 44,418,907.18, Black case No. 5872/2559.
- May 15, 2017: The court had a verdict under the compromise agreement. The defendant agreed to repay the principal amount to the plaintiff of 39,304,000, agreeing to complete the payment within 3 years, starting the first payment by August 10, 2017 onwards. If default, the plaintiff can fully enforce the case according to the lawsuit, with the payment details. as follows

1st year	payment not less than	500,000 per month
2nd year	pay not less than	700,000 per month
3rd year	payment not less than	1,000,000 per month
- After 94 Entertainment Co., Ltd. defaulted on the debt, the Company issued a warrant for execution and proceeded with the investigation to enforce the case, but no assets were found.
- The Company filed a request for a warrant to set up a law Enforcement Officer to the court. Further inspecting the defendant's assets, no assets were found to be seized or enforced.



- September 23, 2020: The Company filed a petition with the Legal Execution Department to seize the debtor's assets, setting a date for seizure and attachment on February 17, 2021.
- February 17 In 2021, the Enforcement Officer was brought into foreclosure at the defendant's office, it turned out. The defendant moved out of the said office. The Enforcement Officer then refrained from the execution action.
- Proceed property investigation until the end of the time period for the Company to enforce the order against the defendant.

3) Media Agency Thai Co., Ltd. – Defendant

Status as of report date In the process of execution - to bring the Enforcement Officer to pursue the assets of the defendant or debtor according to the judgment at the Company's office.

Litigation Start Date September 21, 2017

History

- Media Agency Thai Co., Ltd. is a contractual debtor to purchase airtime management rights, and the debtor is unable to fulfill the contract. The debtor later requested a debt reconciliation with the Company by agreeing to a contract to determine how to pay the debt. Under the contract to purchase the rights to the broadcast time management, that is, the debtor agrees to repay the Company in accordance with the purchase agreement for the broadcast time management rights, bringing the advertising rights to the broadcast time of European golf to pay the debt. When advertising can be sold, and one part of (approximately 93.5 MB) has entered into a debt restructuring agreement. However, after entering into a contract, the debtor defaulted, was unable to pay the debt according to the contract, the Company has followed up with the inquiry, but the debtor did not have a clear guideline for resolving the debt.



History

(continued)

- September 21, 2017, the Company filed a debtor lawsuit with Thonburi Civil Court for Black case No. 1726/2560 with a total litigation capital lawsuit of 323,296,077.43.
- July 16, 2018, the Court ruled that the defendants should pay 314,995,077.20 with interest at the rate of 12% per annum of the principal of 243,362,657.56 from June 30, 2017, and to pay interest at the rate of 7.5% per annum of the principal of 68,756,301.30 from the following date of the indictment (filed on September 21, 2017) until the payment is completed to the plaintiff and the defendant shall pay the customary fees on behalf of the plaintiff by setting a lawyer fee of 10,000. The court fee, to be used in place of the plaintiff wins the case.
- In this case, the defendant did not file an appeal, the case to the end, the Company issued a warrant for enforcement and proceeded with the investigation of the defendant. The defendant was found to no longer operate in any business.
- The Company filed a request to appoint an Enforcement Officer to the court.
- April 25, 2021: Enforcement Officers postponed foreclosure indefinitely due to COVID-19 situation.
- Submit a notification to the enforcement officer to fix the date to seize the defendant's property.

4) MIC Broadcast co., Ltd. – Defendant

Status as of report date In the process of execution.

Litigation Start Date December 28, 2017

History The Company has filed 3 lawsuits against this debtor, arising from different debts as follows.

Case 1: File a lawsuit against the debtor under the co-production contract with the civil court. The total litigation amounted to 1,024,774.96 on December 28, 2017. The court ordered that the defendants were absent from



the plea and absent the hearing and let the plaintiffs bring witnesses to the unilateral investigation.

The court later sentenced the Company to win the case and to get paid the full debt according to the lawsuit.

- Additional checks of the defendant's assets. No assets were found to be seized, frozen or enforced.
- The Company filed a request to appoint Enforcement Officer.
- The case is in the process of execution. To bring the Enforcement Officer to pursue the assets of the defendant or the judgment debtor at the Company's offices.
- November 4, 2021, lead the Enforcement Officer to foreclosure at the defendant's office. The defendant moved out of the office. The Enforcement Officer then refrained from the enforcement action.
- Proceed property investigation until the end of the time period for the Company to legally enforce the order against the defendant.

Case 2: Lawsuit was filed against the debtor under the Broadcast License Agreement (Movie Rights) 20,528,521.12 on January 10, 2018.

- In this case, the Court ruled under a conciliatory, with the 1st defendant admitting to owe the plaintiff 20,582,521.12, the 2nd defendant admitting to owed 10,329,384.24, with the 2nd defendant agreeing to pay the plaintiff 8,827,500 on a monthly basis of not less than 300,000 and to be completed within 29 months (at the end of November 2020). The remaining 11,755,021.22, the 1st defendant agreed to complete the payment in December 2022.
- The Company submitted a statement not interested in filing a lawsuit against the 2nd defendant to the court.
- In the process of installment payment of 1st defendant.
- The defendant performs installment debt payment to the Company in the amount of 6.3 MB at present.



Case 3: Lawsuit was filed against the debtor under the broadcast license agreement (Edge Sport broadcast rights) of 78,795,266 on January 18, 2018.

- The court ruled under a conciliatory agreement, with the defendant admitting to owe the plaintiff a debt to the prosecution by agreeing to pay the plaintiff. 44,223,200 divided into two installments of 22,111,600 each, starting the first instalment at the end of December 2018, the second installment at the end of June 2019. In the event of default, all defaults will be considered. The defendant consented to the plaintiff to complete the full payment with interest.
- The Company filed a request to appoint as Enforcement Officer.
- Further investigation of the defendant's assets did not find any assets to be frozen or enforced.
- The case is in the process of execution. To bring the Enforcement Officer to pursue the assets of the defendant or the judgment debtor at the Company's office.
- The Enforcement Officer went to the defendant's office to process the foreclosure, and it turned out that the defendant's company had no assets for the Enforcement Officer to seize.
- Proceed property investigation until the end of the time period for the Company to legally enforce the order against the defendant.

5) IT Professional Co., Ltd.

Status as of report date	It is under consideration by the Supreme Court.
Litigation Start Date	November 1, 2018
History	<ul style="list-style-type: none">o IT Professional Co., Ltd. was in debt under a contract for the purchase and installation of electrical, lighting and air conditioning systems of 2 contracts, whereby this debtor was unable to negotiate a settlement.o The Company filed a lawsuit on November 1, 2018, filing two contractual lawsuits to the Civil Court. as follows



Case 1

- Black case No. 6411/2561 Total litigation capital of 27,089,318.75 (including interest) The case is a couple of inability to mediate. The court is scheduled to examine the prosecution/defendant's witnesses on January 23, 24, 2020.
- On March 24, 2020, the Lower Court ruled that the defendants should pay the plaintiff amounting to 25,596,979.77 with interest at the rate of 7% per annum of the funds from January 1, 2018 onwards until the payment is completed to the plaintiff, but the interest to the date of the lawsuit shall not exceed 1,492,338.98 as requested by the plaintiff to pay the plaintiff's customary fee. The lawyer fee is 50,000 and prosecution cost is 10,000.
- The defendant has filed an extension of the appeal period to the court.
- On July 5, 2021, the Appeal Court of upheld the decision to dismiss the plaintiff's lawsuit but did not preclude the plaintiff's right to filing a new lawsuit against the defendant within the age limit. Return the court fee in the Trial Court to the plaintiff and in the Appeal Court to the defendant. Customary fees unless ordered by the court to be returned to be folded.
- On October 1, 2021, the plaintiff filed a petition with the Supreme Court case for the court to proceed with the trial.
- On May 18, 2022, the plaintiff filed an appeal to the court. for the court to proceed with the case.
- Pending for the judgment from Supreme Court.

Case 2

- Black case No. 6412/2561, total litigation Capital 63,408,087.02 (including interest)
- December 27, 2019, the verdict was made by the Civil Court for the Company to win the case as follows: "The defendant shall pay 59,914,962.62 with interest at the rate of 7% per annum of the said principal from January 1, 2018 onwards until payment is completed to



the plaintiff, but the interest to the date of the prosecution shall not exceed 3,493,124.40 as requested by the plaintiff, and the defendant shall pay the customary fee on behalf of the plaintiff by setting the lawyer 150,000 and the prosecution cost 10,000 ."

- The defendant has filed an extension of the appeal period to the court.
- March 31, 2021, the Court of Appeal ruled that the defendant should pay 49,456,250 with interest at a rate of 7% per annum from October 11, 2018 onwards until the payment is completed to the plaintiff (filed on November 1, 2018), but the interest until the date of the prosecution must not exceed 3,493,124.40, unless it's resolved by the Trial Courts.
 - The Supreme Court is scheduled to hear the order of the Supreme Court on February 8, 2022.
- The Supreme Court rejected the defendant's motion to extend petition time. The case is enforceable in accordance with the judgment of Court of Appeal and is final. The Company is filing an application requesting enforcement in accordance with law process.

And the Board of Directors Meeting No. 8/2017 held on September 15/2017 the Board of Directors of the Company resolved to approve the investment in the hyper reality development business, the Marvel Experience Thailand : Theme Entertainment Attraction (TMX) of Hero Experience Co., Ltd. (Hero Experience) by the purchase of 32.50% of the newly issued shares by Hero Experience Co., Ltd., totaling amount of Baht 280.00 million. Later, on December 12, 2017 the Company's Board of Directors approved the additional purchase of 5.00% of the new shares issued by the capital increase of Hero Experience, totaling amount of Baht 45.00 million, thereby resulting in the total combined shareholding of 37.50% amount of Baht 325.00 million.

On January 21, 2019 Hero Experience Co., Ltd held extra-ordinary general meeting No. 1/2019 to propose an agenda to termination of the project Hero Experience due to the fact that Hero Experience has a lack of liquidity problem, and the Project has not been operated in accordance with the plan. Referred to additional information many creditors of Hero Experience Co., Ltd. accounted for amount of Baht 59.50 million filed a lawsuit and/or submitted letter to claim their debt with interest and late payment surcharge.



In addition, the loan agreement between Siam Commercial Bank Public Company Limited and Hero Experience Co., Ltd. Dated May 23, 2018 the Company was guaranteed by its fixed deposit bank account of amount of Baht 90.00 million. In the extra-ordinary general meeting No. 1/2019 resolved to settle loan agreement with the fixed deposit bank account.

In year 2020, the management of Hero Experience Co., Ltd. reported information regarding the case, which stated that, Hero Experience Co., Ltd. was sued by 26 creditors in total debt of amount of Baht 78.30 million (In year 2019, was sued by debt of amount of Baht 77.30 million). However, 3 creditors withdrew the lawsuit and agreed to reduce the debt to Hero Experience Co., Ltd., which Hero Experience Co., Ltd. has already paid off the debt. In addition, 19 creditors agreed that Hero Experience Co., Ltd. can pay in installments according to the terms and conditions set by the creditors. And as regards the case against the 4 creditors, total amount of amount of Baht 10.23 million, Hero Experience Co., Ltd. is in the process of mediation. The case result has not been announced. The company filed a petition for its business reorganization to the Central Bankruptcy Court. As a result, the company has to suspend all creditors' debt payments until the lawsuit ends. By according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2020 held on June 15, 2020 it was resolved to approve the company to enter the business rehabilitation process. And on July 9, 2020 Hero Experience Co., Ltd. filed a petition for business rehabilitation to the Central Bankruptcy Court. The court has issued an order to accept the petition. And the hearing of the petition on October 6, 2020 with a total of 3 objections. Later, both parties requested permission to postpone the case. Which the court considered that if both parties can negotiate an agreement, it will benefit the judicial proceedings. For the sake of justice Therefore, it is allowed to postpone the appointment for a hearing on the request on December 9, 2020. Later on that day, the Central Bankruptcy Court again negotiated the mediation but could not reach a settlement. The court therefore called for another hearing of the petition on March 9, 2021. And on April 28, 2021 the court dismissed the request.

Yours Sincerely,

(Mr. Nathaphol Kasamvilas)

Chief Executive Officer