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SET_DV8-2023023

August 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 second quarter ended June 30, 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 second quarter ended June 30, 2023 the Company has operating income and other income totaling Baht 32.95 million, decreased Baht 8.94 million or a decrease of 21.35% from Baht 41.89 million of the same period last year, which was mainly changed from the following items:

- **Revenue from Advertising Media**, Revenue amounted to Baht 32.38 million. The decrease Baht 0.78 million or a decrease of 2.36% from Baht 33.16 million in the same period last year was attributable to a decrease in revenue from point-of-sale advertising.
- **Revenue from Construction Works**, - , In 2020, the Company signed a joint venture agreement with Delighting International Co., Ltd. and named DCORP-DLI Joint Venture for electronic tendering. According to the announcement of the Office of the Permanent Secretary of the Ministry of Interior, when the established joint venture won the tender, the plan and procedure for the construction of digital signage under the project for 76 provinces were handed over to the Parcel Inspection Committee. Upon approval, the joint venture entered into a sign construction contract in 2020 and commenced construction in 2021, resulting in the Company's construction revenue for the second quarter ended June 30, 2022 amounting to Baht 8.73 million. The Company has already recognized all project revenues in 2022.
- **Other income** amounted to Baht 0.33 million, increase from the same period last year. Mainly is from interest income.



Cost

For the second quarter ended June 30, 2023, the Company had total media costs of Baht 23.49 million, decrease Baht 0.73 million or a decrease of 3.03% from Baht 24.22 million from the same period last year, due to lower advertising media revenue.

Expenditure

- **Expenses for sales and services** expenses amounted to Baht 1.93 million. The increase was Baht 1.03 million or an increase of 114.56% from Baht 0.90 million from the same period last year, mainly due to the Company's increased expenses related to sales support to trade partners.
- **Administrative expenses** amounted to Baht 15.43 million. The increase was Baht 6.18 million or an increase of 66.79% from Baht 9.25 million from the same period last year, mainly due to the increase in amortization in the rights to use assets and the adjustment of income tax deducted at source as part of the expenses after the audit to request for tax refund from the Revenue Department.
- **Finance costs** amounted to Baht 0.21 million, decrease Baht 0.06 million of a decrease of 23.99% from Baht 0.27 million from the same period last year due to recognition according to the term of lease agreement.

Results

For the second quarter ended June 30, 2023, the Company has a net loss of Baht 12.67 million. This net loss included the loss of non-controlling interests of Baht 0.81 million. Besides the mentioned operating results, the Company has a net loss attributable to the parent company of Baht 11.86 million.

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 has total assets as at June 30, 2023 in the amount of Baht 842.18 million and as at December 31, 2022 of Baht 517.79 million. An increase of Baht 324.39 million or increase 62.65% arising from cash receipts from the capital increases. The Company's assets as at June 30, 2023 comprised current assets of 86.32% and non-current assets of 13.68%.



Liquidity

Cash flow

The company has cash and cash equivalents as at June 30, 2023 amount Baht 563.23 million. Details of the source and use of cash are as follows:

- **Net cash used from operating activities** was Baht 2.88 million. This is mainly due to cash received from corporate income tax refunds.
- **Net cash provided by investment activities** was Baht 78.73 million. This is mainly due to a decrease in temporary investments.
- **Net cash used from financing activities** was Baht 360.32 million. Most of them are generated from cash received from capital increases.

Liquidity Ratio

The Company's liquidity ratio as at June 30, 2023 was 15.38 times. The Company has increase current assets from cash and cash equivalents. and decrease in current liabilities on the part of trade and other current payables. Liabilities arising from contracts and corporate income tax payable. 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.

Yours Sincerely,

(Mr. Nathaphol Kasamvilas)

Chief Executive Officer