

Part 1

Business Overview

1. Policy and Business Overview

DOD Biotech Public Company Limited (“Company”) is a contract manufacturer of dietary supplement products made of natural extracts. The Company offers a “One Stop Service” solution to clients, ranging from manufacturing consultancy, formula research and development based on client needs, packaging and label design, marketing and distribution consultancy, high quality manufacturing and manufacturing control certified by Department of Industrial Works, to registration of dietary supplement products under various brands with Food and Drug Administration (FDA) to obtain FDA registration number. The Company’s manufacturing plant is warranted by international quality and safety standard. We also continuously innovate to enhance satisfaction of our clients. Our dietary supplement products can be divided into two major categories as follows:

1. *Dietary Supplement Products for Beauty*, comprising supplements for body shape and supplements for skin health
2. *Dietary Supplement Products for Health and Wellness*, comprising supplements for digestive health, supplements for cognitive health and brain function, and protein supplements

Our products are sold to domestic clients and are generally made to order under client-specified brands. A majority of our clients are trading companies who act as an intermediary aggregating purchase orders from businesses and individuals who would like branded dietary supplements of their own, such as celebrities, beauty clinics, direct sales companies, and cosmetics brands with presence in department store. In addition, we also manufacture and distribute our own brand of protein supplement under the name “Dai a to”.

Vision, Mission, and Goals

Vision

“To become a stable company, maintain high business ethics, develop international standard R&D in dietary supplements, and be environmentally friendly”

Mission

- Increase R&D competency through corporate investment and drive innovation of new technology and products
- Deliver high quality products which meet international quality and safety standards, or standard specified by customers
- Develop company’s own brand for long term sustainability of the business
- Generate satisfactory returns to shareholders and stakeholders
- Operate business with good governance, transparency, environmental responsibility, and social responsibility
- Become a learning organization, supporting continuous human resource development to enhance and maintain management competency

Business Goals

We aspire to become a leading dietary supplement manufacturer certified by international standards. We will create sustainable competitive advantages through continuous product R&D and a lower manufacturing cost achieved by building our own raw material extraction facility.

Significant Changes and Developments

DOD Biotech PLC. was founded on February 11, 2011 under the name “Thai Learning Innovation Co., Ltd.” with registered capital of Baht 1 million. We began as a distributor of learning media. On December 14, 2011, we changed our name to “Sukris 55 Co., Ltd.” and became a manufacturer of dietary supplement product. Our initial business model was to be an original equipment manufacturer (OEM) who manufactured dietary supplements based on formula and ingredients specified by clients. Our first office and manufacturing plant were located at 78/6 and 78/7 Khok Krabue, Mueang Samut Sakhon, Samut Sakhon.

On June 19, 2013, Mr. Lampun Puntanaprates sold all his shares (under share repurchase agreement) to Miss Rungnapa Kunsongkram who was the Company’s Director and Managing Director between June 21, 2013 and May 18, 2014 and between September 10, 2014 and June 24, 2015 (Between May 19, 2014 and September 9, 2014, Miss Supamas Isarabhakdi had acted as the Company’s Director and Managing Director instead of Miss Rungnapa Kunsongkram.

Later in June 2013, we expanded our business and became an original design manufacturer (ODM) who provided a “One Stop Service” solution to clients. We had dedicated R&D team responsible for new product and formulation development. We also partnered with subject matter experts from domestic educational institutions and research labs to consistently develop new products as well as improving existing ones. In December 2013, we received GMP (Good Manufacturing Practice) Certification from Food and Drug Administration (FDA), Ministry of Health, which was a certification of manufacturing processes, facilities, equipment, and controls of dietary supplement products.

On December 24, 2015, we changed our name from “Sukris 55 Co., Ltd.” to “DOD Biotech Co., Ltd.”. At present, our office and manufacturing plant are located in “Yu Charoen – Tha Jeen Industrial Estate”, 111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon.

Significant developments of our Company in the past 6 years are summarized as follows:

2014

- On May 6, 2014, the Company changed its shareholding structure, with Mr. Lampun Puntanaprates and family holding 99% of total shares.
- On May 17, 2014, we increased registered and paid up capital from Baht 1 million to Baht 5 million, comprising 50,000 shares of ordinary share at a par value of Baht 100 per share. Capital raised were used as a working capital for business operations.
- On June 3, 2014, we received an investment incentive No. 2272(2)/ 2014 from The Board of Investment (BOI) for the manufacturing of herbal products (except medicine, soap, shampoo, toothpaste, and cosmetics), pharmaceutical products and/ or active ingredients in pharmaceutical products.
- On August 9, 2014, we began a construction of manufacturing plant and corporate head office on company's land with an area of 7-2-71.40 Rai. The property was located in "Yu Charoen – Tha Jeen Industrial Estate", 111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon. The manufacturing plant was designed to become a clean room with exceptional hygiene control and standard.
- On September 5, 2014, we increased registered and paid up capital from Baht 5 million to Baht 50 million, comprising 500,000 shares of ordinary share at a par value of Baht 100 per share. Capital raised were used as a working capital for business operations.

2015

- On December 8, 2015, Mr. Lampun Puntanaprates sold company shares at a fair price to 3 new shareholders (for 20,000 shares each, equivalent to 4% of total paid up capital) who were

business partners and/ or customers of the company, namely Miss Boontrika Cheuchote, Miss Purada Rianpreecha, and Mrs. Natchaya Maitreewech.

- On December 24, 2015, the Extraordinary General Meeting No. 2/ 2015 approved the Company's request to increase registered capital from Baht 50 million to Baht 90 million, and to decrease the par value of an ordinary share from Baht 100 per share to Baht 10 per share. The Company had registered additional capital and a change in share price to the Department of Business Development, Ministry of Commerce on December 24, 2015. Capital raised were used in a construction of new corporate offices, manufacturing plant, and as a working capital for business operations. In addition, the Extraordinary General Meeting also approved an annual dividend payout from net profit for the year ending December 31, 2014 to ordinary shareholders of 500,000 shares, at a rate of Baht 80 per share, totaling Baht 40 million. The dividend was issued on December 24, 2015.
- On December 24, 2015, we changed our name from "Sukris 55 Co., Ltd." to "DOD Biotech Co., Ltd.".

2016

- On April 30, 2016, the Annual General Meeting of 2016 approved an annual dividend payout from net profit for the year ending December 31, 2015 to ordinary shareholders of 9,000,000 shares, totaling Baht 100 million. The dividend was issued on May 25, 2016.
- On June 27, 2016, dietary supplement products under the brand "ZELA-Q" and "I.D.I.A.", both researched and developed by our company, were awarded "Best Product of the Year 2016" by Business and Economic Development Council of Thailand.
- In September 2016, we launched a new protein dietary supplement (Protein Diet) under its own brand "Dai a to". The supplement contains major protein extracts, amino acids, and other

essential vitamins for the body. “Dai a to” is a dietary supplement for health and wellness. It helps monitor weight loss, reduce accumulation of excessive body fat, improve nervous system function, enhance digestive health, and nourish and brighten the skin. We are currently a sole distributor of the products, selling them through multiple online channels, including Facebook, LINE, Instagram, and the website daiato.com.

- On September 3, 2016, dietary supplement products under the brand “V-Solen”, “P-Rano”, and “OMG”, all researched and developed by our company, were awarded “Top Brand of the Year 2016” by Mass Communication Federation of Thailand.
- On September 15, 2016, we moved a corporate head office and manufacturing plant from 78/6 and 78/7 Khok Krabue, Mueang Samut Sakhon, Samut Sakhon, which was a space rented from company's major shareholder, to the newly constructed facilities as mentioned above.
- On October 28, 2016, the Extraordinary General Meeting No. 3/ 2016 approved an interim dividend payout from net profit for a six-month period ending June 30, 2016 to ordinary shareholders of 9,000,000 shares, totaling Baht 60 million. The dividend was issued on November 1, 2016. In addition, the Extraordinary General Meeting also approved the Company's request to increase registered capital from Baht 90 million to Baht 150 million through the issuance of 6,000,000 shares of ordinary share at a par value of Baht 10 per share. The Company had registered additional capital to the Department of Business Development, Ministry of Commerce on November 22, 2016. Capital raised were used for a construction of extraction facility project, land purchase for factory expansion, and as a working capital for business operations.

- In November 2016, we began a construction of a herb and medicinal plant extraction facility. The project required an investment of Baht 25 million. The construction was completed on February 27, 2017 with all machineries installed.
- On December 6, 2016, we received an investment incentive No. 60-0921-1-16-1-0 from The Board of Investment (BOI) for the manufacturing of natural extract products (except medicine, soap, shampoo, toothpaste, and cosmetics).

2017

- On February 21, 2017, we received the following certifications from a leading private certification institute "Intertek": HACCP (Hazard Analysis Critical Control Point) for manufacturing process of dietary supplement products (vitamin, dairy protein, soy protein, collagen, and extract from herb/ plant/ fruit) in a form of packaged sachet, and GMP Codex: General Principle of Food Hygiene for manufacturing process of dietary supplement products (capsule and powder), coffee (powder), ready-to-eat food (dried flax seeds), and dairy products (dry or powder).
- On February 27, 2017, we received ISO 22000: 2005 certification from Intertek Institute for manufacturing process of dietary supplement products (vitamin, dairy protein, soy protein, collagen, and extract from herb/ plant/ fruit) in a form of packaged sachet.
- On March 29, 2017, we signed a licensing agreement with Maha Sarakham University to use their Tripala extraction technology for commercial purpose as well as getting access to relevant knowledge consultation and transfer. The Company had the rights to manufacture and sell Tripala extracts for a period of 1 year, between March 29, 2017 and March 28, 2018.

- On April 25, 2017, the Annual General Meeting of 2017 approved an annual dividend payout for the year 2016, totaling Baht 90 million. Given that, on November 1, 2016, we had already issued an interim dividend payout for the period between January 1 and June 30, 2016, totaling Baht 60 million (Baht 6.6667 per share to 9 million shares outstanding), for the period between July 1 and December 31, 2016, the Annual General Meeting had approved a dividend payout of Baht 2 per share to 15 million shares outstanding, totaling Baht 30 million. The dividend was issued to shareholders on May 24, 2017.
- On July 30, 2017, DOD Biotech was awarded “Thailand Industry of the Year 2017” in the event organized by ASEAN Network – Thailand.
- On August 10, 2017, the Board of Directors Meeting No. 6/ 2017 approved an interim dividend payout for the period between January 1 and June 30, 2017, totaling Baht 50 million (Baht 3.3333 per share to 15 million shares outstanding). The dividend was issued on August 29, 2017.
- On September 24, 2017, DOD Biotech was awarded “Best Awards Asian Brand 2017” in the event organized by Journalism Council of Thailand.
- On November 28, 2017, the Extraordinary General Meeting No. 3/ 2017 approved a transition of the Company to become a public limited company under the name “DOD Biotech PLC.”. The Meeting also approved a change in par value of company’s share from Baht 10 per share to Baht 0.50 per share as well as an increase in company’s registered capital of Baht 55 million, from Baht 150 million to Baht 205 million. The increase in registered capital was done through additional issuance of 110 million shares of ordinary share, at a par value of Baht 0.50 per share, which were later offered to the general public and traded in the Market for Alternative Investment (MAI). The Company had registered a change in company type,

change in par value, and change in registered capital to the Department of Business Development, Ministry of Commerce on November 29, 2017.

- On December 28, 2017, the Board of Directors Meeting No. 10/ 2017 approved an interim dividend payout for the period of 9 months, ending September 30, 2017, totaling Baht 35 million (Baht 0.1166 per share to 300 million shares outstanding). The dividend was issued on January 27, 2018.

2018

- On March 28, 2018, the Annual General Meeting of 2018 approved an annual dividend payout of Baht 115 million (Baht 0.3833 per share to 300 million shares outstanding). The dividend was issued to shareholders on March 29, 2018. In addition, the Meeting had agreed to modify an allocation of ordinary shares previously approved in the Extraordinary General Meeting No. 3/ 2017. There were 110 million shares of ordinary share with a par value of Baht 0.50 per share, and they would be allocated as follows:
 1. Allocate 100,545,000 shares, each with par value of Baht 0.50, for initial public offering (IPO)
 2. Allocate 9,455,000 shares, each with par value of Baht 0.50, for company's directors, executives, and/ or employees. Selling price was to be set similarly to IPO price. If there were any shares remaining from this allocation, they shall be included in the initial public offering (IPO).
- On May 9, 2018, the Board of Directors Meeting No. 3/ 2018 approved an interim dividend payout for the period of 3 months, ending March 31, 2018, totaling Baht 111 million (Baht 0.37 per share to 300 million shares outstanding). The dividend was issued by May 30, 2018.

- Between June 12-14, 2018, the Company launched its initial public offering (IPO), selling 110 million shares to the general public, company's directors, executives, and/ or employees at a price of Baht 9.3 per share. Sales proceed totaled Baht 1,023,000,000, with net proceed after selling expenses of Baht 987,240,850. Following the IPO, the Company had paid-in capital of Baht 205,000,000 and 410,000,000 shares outstanding. Capital raised were used for (1) raw material extraction facility and international research laboratory, (2) new brand development, (3) loan repayment to financial institutions, and (4) working capital.
- On June 20, 2018, company's stock was publicly traded as "DOD" in the consumer goods industry group of the Market for Alternative Investment (MAI).
- On July 19, 2018, we signed a Memorandum of Understanding (MOU) with Department of Thai Traditional and Alternative Medicine to jointly drive and support Thai herbal products into international market. The Department would provide guidance to the Company in setting up our second raw material extraction facility along with a central laboratory. The collaboration was a part of national master plan on Thai Herbal Development No.1 (2017-2021) published by Ministry of Public Health.
- On November 2, 2018, we signed a Memorandum of Understanding (MOU) with CNR Happiness Home and Chinese Academy of Sciences to distribute dietary supplements, vitamins, traditional Thai herbs and medicine, skincare products and cosmetics through TV Shopping of CNR Mall broadcasted on CCTV Channel in China.
- On December 19, 2018, the Board of Directors meeting No. 8/ 2018 approved the Company's investment in PCCA Laboratory Co., Ltd. through a company's subsidiary which was to be set up ("Subsidiary"). The Board of Directors meeting approved the purchase and transfer of an entire business from BGP Spectrum Power Co., Ltd. ("BGP Spectrum") to the Subsidiary.

This included all current and future assets, liabilities, rights, duties, and responsibilities from BGP Spectrum, including 8,100,000 shares of ordinary share with a par value of Baht 10 per share held in PCCA Laboratory Co., Ltd. (“PCCA”) by BGP Spectrum (equivalent to 90% of total listed shares of PCCA). The Subsidiary would pay a purchase price at a total of Baht 297,000,000. BGP Spectrum was not a related entity to the Company and PCCA offered end-to-end contract manufacturing services for cosmetic and skin care products.

- On December 19, 2018, the Board of Directors Meeting No. 8/ 2018 approved an interim dividend payout for the period between April 1, 2018 and September 30, 2018, totaling Baht 180.40 million (Baht 0.44 per share to 410 million shares outstanding). The dividend was scheduled to be issued on January 18, 2019.
- On December 19, 2018, the Board of Directors Meeting No. 8/ 2018 approved insignificant changes in the usage of IPO capital. Two additional objectives were added: (1) to increase production capacity of dietary supplements, develop new product formats, and expand warehouse spaces; (2) to lend to company's subsidiary for investing and expanding business of PCCA Laboratory Co., Ltd.
- On December 26, 2018, the Company set up a new subsidiary under the name “DOD Healthy Life Co., Ltd.”. The subsidiary had a registered capital of Baht 1 million, of which the Company held 99.99 percent. The primary objective of the subsidiary was to invest in PCCA Laboratory Co., Ltd.

2019

- On January 15, 2019, DOD Healthy Life Co., Ltd., a subsidiary company, acquired and transferred the business of BGP Spectrum Power Company Limited (“BGP Spectrum”). The acquisition included all assets, liabilities, rights, duties and responsibilities of BGP Spectrum,

both current and future, as of the date of business transfer, including 8,100,000 ordinary shares with a par value of Baht 10 per share in PCCA Laboratory Co., Ltd. ("PCCA") that were held by BGP Spectrum, or equivalent to 90% of the number of authorized share capital of PCCA, whose principal business operation was to manufacture cosmetic products

- On March 13, 2019, the Company has established a subsidiary, "Ultima Life Co., Ltd", with registered and paid up capital of Baht 50 million. Altima Life was a network marketing company, of which DOD held 80% of total shares
- On April 30, 2019, we issued and allotted warrants to purchase ordinary shares of DOD Biotech PLC. No.1 ("DOD-W1") in the amount of not exceeding 182,222,222 units to the existing shareholders of DOD Biotech PLC. in proportion to their shareholdings (Right Offering) with the ratio of 2.25 existing ordinary shares for 1 unit of warrants at the offering price of Baht 0.10 per unit (in calculating the entitlement to receive the warrants of each shareholder, any fractions resulting from the calculation based on the allotment ratio will be rounded down). Shareholders may express their intention to subscribe to the warrants in excess of their entitlement. The record date to determine the list of shareholders who entitled to the allotment of the warrants was on May 10, 2019
- On May 23, 2019, we increased registered capital from the existing registered capital of Baht 410,000,000 to Baht 592,222,222 by issuing of 182,222,222 newly-issued ordinary shares, at a par value of Baht 0.50 per share.
- On June 19, 2019, the Company has established a subsidiary, "HY DOD Co., Ltd.", with registered and paid up capital of Baht 0.5 million. DOD held 51% shares of HY DOD, whose principal business was to sell and distribute dietary supplement products.

- On July 3, 2019, the Company has set up a new subsidiary, “DOD Sale Power Co., Ltd.”, with registered and paid up capital of Baht 2 million. DOD held 70% shares of DOD Sales Power, whose principal business was to provide consulting services.
- On August 28, 2019, the Company has set up a new subsidiary, “Siam Herbal Tech Co., Ltd.”, with registered capital of Baht 260 million, of which Baht 65 million was paid up. DOD held 99.99% shares of Siam Herbal Tech, whose principal business was to manufacture herbal extracts.
- On August 28, 2019, the Company has set up a new subsidiary, “AK DOD Co., Ltd.”, with registered and paid up capital of Baht 0.5 million. DOD held 51% shares of AK DOD, whose principal business was to sell and distribute cosmetic and dietary supplement products.

2020

- On January 24, 2020, the Company entered into a license agreement for the use of research results on "Development of medical food products for patients with diabetes mellitus. By using rice as the main raw material to replace imported products "with the Agricultural Research Development Agency (Public Organization) where the company is the owner of the rights to research by using unlimited rights Exclusive for a period of 5 years from the date of signing the contract. With permission to produce and distribute products both in the country and abroad It is also permitted to use the technology in the production under this contract or to use it for research, development, modification, improvement or transfer of technology to others without prior notice.
- On March 4, 2020, received the certification. ISO22000: 2018 (Food Safety Management System) from Intertek Testing Services (Thailand) Co., Ltd. (Intertek)
- On March 11, 2020, certified standards ISO14001: 2015 (Environmental Management System) from Intertek Testing Services (Thailand) Co., Ltd. (Intertek)

- On July 23, 2020, the company was registered as an accredited laboratory according to ISO / IEC 17025: 2017 from the Bureau of Laboratory Standards. Department of Medical Sciences Ministry of Public Health

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1.3 Shareholding Structure of the Company Group

As of December 31, 2020, the Company has 7 subsidiaries and their shareholding is as follows:

Company	Shareholding Proportion
DOD HEALTHY LIFE CO., LTD	99.99 %
PCCA LABORATORY CO.,LTD	90.00 %
ULTIMA LIFE CO., LTD	80.00 %
SIAM HERBAL TECH CO., LTD	99.99 %
H.Y DOD CO.,LTD	51.00%
DOD SALES POWER CO.,LTD	70.00%
AK DOD CO., LTD.	51.00%

Nature of Business

➤ Revenue Structure

Revenue structure of the Company for the year 2017-2020 can be classified by product categories as follows:

Type of Revenue	Year 2017		Year 2018		Year 2019		Year 2020	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Sales Revenue								
- Dietary Supplements for Beauty	271.85	69.96	543.22	271.85	69.96	543.22	1,332.85	82.23
- Dietary Supplements for Health and Wellness	115.50	29.73	123.14	115.50	29.73	123.14	2787.35	17.17
Total Sales Revenue	387.35	99.69	666.36	387.35	99.69	666.36	1,611.20	99.40
Other Revenue ^{1/}	1.21	0.31	6.76	1.21	0.31	6.76	9.64	0.60
Total Revenue	388.56	100.00	673.12	388.56	100.00	673.12	1,620.84	100.00

Remark: ^{1/} Other Revenue includes income from molding fee, interest income, forfeiture of security deposit, and penalties from a breach of construction contract.

➤ Nature of Products or Services

The Company is a contract manufacturer of dietary supplement products made of natural extracts. We offer a “One Stop Service” solution to clients, ranging from manufacturing consultancy, formula research and development based on client needs, registration with Food and Drug Administration

(FDA), Ministry of Health under client's own brands, packaging and label design, marketing and distribution consultancy, to high standard manufacturing and quality control. The Company's manufacturing practices have received multiple quality control certifications, including GMP: Good Manufacturing Practice from FDA, General Principle of Food Hygiene from CODEX, and HACCP (Hazard Analysis and Critical Control Point) and ISO 22000 (Food Safety Management) from Intertek institute. In addition, all of the products are manufactured by the latest and cutting-edge machineries in a clean room plant where level of dust, temperature, and humidity are strictly controlled.

All dietary supplement products manufactured and distributed by the Company are approved by FDA and have FDA registration number displayed on a label to inform customers that the products had passed quality and safety standard set by FDA.

A majority of company's dietary supplement products are manufactured under brands and trademarks specified by clients, such as Co.B9, Fita, NUUI SLM, Zela.Q, Babalah Elmola, Jejuvita BB SLM / B-Bang / Filinzo / Glutato by Karmarts, Defon by K.Ple Nakorn, Zonbee by Body Shape, DT24 / Denula by Wutisak, Fill in and V-solen, Madame Drink/ Overnight Detox by ele, and OMO Coffee. As an original design manufacturer (ODM), the Company assists clients with all R&D and manufacturing activities. We work with our clients to research and develop the right product formula according to their needs as well as help them register their products with FDA before distributing the products to retailers and end users. Obtaining FDA approval not only helps the brand to be compliant with law, but it also helps establish consumer confidence that the products have accurate label information and are safe to consume.

When a product obtains approval from FDA, its FDA registration number is tied to a specific formulation and brand. Additional manufacturing of the products must be under a similar formulation and brand previously registered. Given that a product formulation is a trade secret of the Company, clients would not be able to work with other manufacturers to manufacture similar products under similar FDA registration number. To work with a different manufacturer, they would be required to

develop a new formulation and obtain a new FDA registration number, which may not be ideal especially if the original products and brands are already popular.

The Company's dietary supplement products can be divided into two major categories:

Dietary Supplement Products for Beauty

Dietary supplement products for beauty comprise two sub categories:

1. *Dietary Supplements for Body Shape:* These products contain various extracts which can enhance fat burn, reduce accumulation of excessive fat, and control appetite
2. *Dietary Supplements for Skin Health:* These products contain various extracts which can nourish and soften skin, tighten loose skin, brighten skin, and reduce wrinkles, fine lines, and dark spots on facial skin

Dietary Supplement Products for Health and Wellness

Dietary supplement products for health and wellness primarily helps consumers improve their body functions. They contain numerous vitamins and minerals essential for a healthy body, including antioxidants and other extracts. Dietary supplement products for health and wellness comprise three sub categories:

1. *Dietary Supplements for Digestive Health*
2. *Protein Supplements*
3. *Dietary Supplements for Cognitive Health and Brain function*

Dietary Supplement Products manufactured and distributed by the Company are available in the following formats:

1. Hard Capsule

Hard capsules are available in multiple sizes and substances can be filled accordingly. It is easy to consume as the capsule is made of gelatin and plant. The gelatin makes it easy to swallow and can also mask any unwanted smell and flavor from the ingredients inside. Hard capsules have predictable disintegration period. Once disintegrated (after approximately 15 minutes), drug will immediately be released and absorbed in the stomach.

2. Tablet

Tablets are good for dietary supplements that require a quick disintegration and absorption. It is also possible to customize the color and flavor of the tablets to enhance consumer appeal, making it suitable for dietary supplement products for cognitive health and brain functions as well as skin health.

3. Instant Drink

Instant drink format works well with dietary supplements that need to be consumed in a large amount, such as protein supplement or supplement for digestive health. If these supplements were in a form of tablets or capsules, consumers had to inconveniently ingest multiple tablets or capsules at a time. An instant drink format makes it easier to consume the same amount of supplement in a choice of flavors enjoyed by consumers.

4. Soft Gelatin or Soft Gel

Soft gelatin capsules are created by an encapsulation method, allowing them to be filled with liquid or lipid-based substances of varying amount depending on shape and capacity of the capsule. The outer shell of the soft gelatin capsule can be made of either plant-based gelatin or animal-based gelatin. The encapsulation process will help mask any unwanted

smell and flavor from the ingredients inside, making it easier to consume. Soft gelatin capsules have predictable disintegration period. Once disintegrated (after 10-15 minutes), drug will immediately be released and absorbed in the stomach. The capsules can be manufactured in multiple sizes and shapes as follows: 50mg (Round), 500mg (Oval), 680mg (Fish), and 1,000 mg (Oblong).

5. Jelly

Jellies can be made in multiple flavors making them easy to consume. They are convenient on-the-go and can be consumed right from the package without the need to drink water afterwards. Jelly formats are available in a size of 15 and 25 grams.

6. Gel

Gels can be made in multiple flavors making them easy to consume. They are convenient on-the-go and can be consumed right from the package without the need to drink water afterwards. Gel format is suitable for anyone looking for instant energy source, such as athletes. They are available in varying sizes from 15-40 grams.

➤ Dietary Supplement under Company's Own Brand

In addition to manufacturing dietary supplements for clients' brands, the Company also has its own brand of dietary supplement (OBM: original brand manufacturer) called "Dai a to". The product is a protein supplement that can help reduce accumulation of excessive body fat, enhance functions of nervous system, along with nourish and brighten the skin. It comes in a form of instant drink and to be consumed as a meal replacement. One sachet of the supplement contains main extracts from protein, amino acid, 33 essential vitamins, and complete nutrition across the five food groups, while only giving 120 kcal.

"Dai a to" was launched in September 2016 and are currently sold through online channels such as Facebook, LINE, Instagram, and website daiato.com

➤ Nature of Customer and Target Group

Dietary supplements manufactured by the Company fall under consumer products category. They are considered specialty products, either with client's brands or our own brand. Majority of our clients are trading companies who aggregate purchase orders from brand owners, businesses, and direct sales companies who would like branded dietary supplements of their own. We manufacture dietary supplements for our clients under the brand names specified by them. They in turn distribute the final products to end users through various distribution channels. We are not directly selling to end users.

Nevertheless, we believe there are two groups of end users suited for our products:

1. For dietary supplement products for beauty, their target customers are middle to high income adolescents and adults who value self-care and skin nourishing
2. For dietary supplement products for health and wellness, their target customers are middle to high income adolescents, adults, and seniors who value health care

➤ Pricing Policy

We have set a clear standard price list of a product based on different product formats (hard capsule, tablet, and instant drink) and sizes. Each product type has a standard formula for manufacturing that comes with a standard pricing. When clients need modifications from a standard formula, pricing would change to reflect changes in raw material. We adopt a cost plus margin approach in setting a price, with additional considerations on market price, competitive intensity, client's acceptance of the products, order volume, and total value. We also offer trade discounts to clients if their order volume meets a certain threshold. It is important that our pricing is competitive in the market; however, we also work to ensure it is profitable enough to sufficiently cover our selling, general and administrative expenses.

➤ Distribution and Distribution Channel

All of our customers are domestic. We directly distribute to trading companies who aggregate purchase orders from brand owners and businesses who would like branded dietary supplements of

their own. We have a designated in-house marketing and sales operations team while the sales team are hired externally on a commission-based basis. The sales team, with their knowledge in dietary supplement and sales experience, takes the lead in setting up client meeting and developing product proposals. They gather and assess client needs; decide whether the client should use our existing supplement formula, modified formula, or new formula; translate them into proposals for sales, investment, and marketing; and create a purchase order based on our minimum order volume.

3.Risk Factors

Company's Business Risk

(1) Risk from High Concentration of Large Clients

In the year 2018 - 2020, the company has income from product sales. From the orders of the first 5 large customers, the total value is 581.66 million baht, 380.04 million baht and 998.77 million baht, respectively, accounting for 87.29 percent, 68.95 percent and 87.45 percent of total sales revenue, respectively. Have income from a particular customer This accounted for 53.64 percent of total sales revenue in 2018 and 2019, 1 person, accounting for 18.16 percent of total sales revenue in 2019 and 2020, 1 person, accounting for 65.96 percent of revenue. From total sales in 2020

The first five major customers as mentioned Each year is not all the same. But there will be a changing list every year, and in 2019 and 2020, some of the big customers are large direct sales companies with an extensive distribution network that sells nutritional products directly to members and users of the products.

The Company would face a great risk if revenue from our large clients had declined, or if our large clients had switched to other manufacturers, and we were unable to generate additional revenue from others. In addition, the average product life cycle for a dietary supplement product is approximately

1 to 1.5 years, which is not a long period of time. If sales of our large clients plummeted as a result of a decrease in product popularity or a maturation and decline of the product life cycle, our revenue and operating performance would be significantly impacted. To mitigate the risk, we devise a competitive strategy to maintain and secure existing customer base as well as to actively build a new one. We strive to maintain great business relationship with our clients and offer them a “One Stop Service” solution, from manufacturing consultancy, formula research and development based on their needs, packaging and label design, marketing and distribution consultancy, to quality manufacturing with certified manufacturing control. We only use high quality raw material and extracts in our manufacturing processes. Our manufacturing practices are warranted with multiple certifications and standards including GMP from FDA, GMP Codex, HACCP and ISO 22000. In assisting our clients with registration for Food and Drug Administration (FDA) number, we are also fully compliant with laws and policies governing dietary supplement products. We consistently measure client satisfactions towards our products and services which, we believe, has led to an on-going trust and business from them. In addition, to mitigate the risk of declining product popularity and life cycle, our clients have also regularly modified the product formula and product format to keep them relevant to consumers, such as adding new scents, new flavors, and organizing marketing activities to stimulate product sales.

In acquiring new businesses, we offer a variety of dietary supplement formula that would allow our clients to quickly react to the change in market trends. We also offer competitive pricing policy and consistently develop new products from concentrated herbal extracts produced by our own extraction facility. Lastly, we also researched and developed our own brand of dietary supplement to enhance value-added of company's products, diversify customer base, and reduce reliance on a single client.

(2) Risk from Inability to Collect Accounts Receivables

As of the end of 2018 - 2020, the Company had trade receivables that were overdue for more than 3 months amounting to 5.58 million baht, 101.41 million baht and 82.43 million baht, or 8.45 percent, 40.02 percent and 25.28 percent of total trade accounts receivable, respectively.

We recognize the risk from an inability to collect all accounts receivables in a complete and timely manner. We may need to set up an allowance for doubtful accounts as specified by accounting policy; however, doing so would subsequently impact the net profit of the Company. As a result, we have developed a clear operational protocol for a collection of accounts receivables to be enforced within the organization. Accounting and Finance departments are responsible for initial tracking of accounts receivables. They will develop AR aging report and pass it on to sales operations team to proceed with the collection, with an aim to avoid and minimize default payment. To reduce the risk of bad debt, we have also set a credit policy to determine the amount of trade credits each client is eligible for based on their credit repayment ability. For the accounts receivables that cannot be collected, the Company will set up an allowance for doubtful accounts as specified by accounting policy. The allowance will be determined quantitatively, by considering all accounts receivables overdue for more than 12 months, and qualitatively, by considering payment history, recent sales transactions, and financial status of each client.

(3) Risk from Clients Switching Manufacturer

Our Company is a contract manufacturer. We manufacture dietary supplement products based on client orders, under client's brands, and clients will in turn sell them through their distribution channels. Our clients typically place one order at a time, or sometimes they order a large volume upfront and divide them into several deliveries. They are not engaged in any long-term contract to keep their business with us and, as a result, we do possess a risk of them switching to other

manufacturers. This could significantly hurt our revenue and operating performance especially if they are one of our large clients.

We recognize such risk and have focused our efforts on both securing existing customer base and acquiring new customers. We work to enhance satisfaction of our clients through excellent services, quality products, quality assurance, and reasonable and competitive pricing. This helps us steadily gain trust and business from our clients. Nevertheless, when we manufacture and register client's product with FDA, its FDA registration number will be tied to a specific product formula and specific brand. Additional manufacturing of the product under the same brand will require similar FDA registration number, similar product formula, and thus must be done by similar manufacturer, given that the product formula we develop is our trade secret and any outsiders would have no access to such information. To work with a different manufacturer, clients would be required to develop a new product formula and obtain a new FDA registration number, which may not be ideal especially if the original products and brands have already become popular.

Moreover, we also plan to develop more dietary supplement products under our own brands as well as to resell concentrated extracts produced by our extraction facility, with an aim to diversify income sources and mitigate the risk of having income highly concentrated from contract manufacturing.

(4) Risk from Competition in Dietary Supplement Business

Dietary supplement industry has a lot of players ranging from small businesses to large enterprises. The competition is becoming more intense as consumers are becoming more health conscious.

Dietary supplement industry grows together with a health-conscious market trend and values towards consumption of dietary supplement to nourish the body and stimulate its immunity. Dietary supplement industry has had a steady growth over the past years with immense numbers of new

manufacturers, distributors, importers, retailers, and celebrities entering the market. As the business does not require high initial investment, competition becomes intense with a lot of product substitutes being sold under different brands. With the help of the media, consumers can also easily gather information about new brands and products in the market and further broaden their choices. Manufacturer and distributor need to quickly react to changes in market situation, consumer trend, and their behaviors that will vary based on values and perception of different dietary supplement products.

We recognize such risk and have placed a great emphasis on new product research and development. We aim to increase new product varieties to create more choices to our clients and will consistently develop new product format and formula into the market to reduce reliance on a single product. Our R&D team continuously researches on new dietary supplement products and has collaborated with external specialists and researchers to develop new products as well as improve the effectiveness of existing ones. This is to ensure that the Company has distinguished product formula and product innovation to respond to client's needs and changes in the market. We also strive to provide excellent services to our clients to maximize their satisfaction.

For manufacturing, we have created a clean, safe, and efficient manufacturing facility. Our dietary supplement products are manufactured by cutting-edge machineries in a closed "clean room" environment where dust, temperature, and humidity level are controlled. This is to ensure high product quality and to establish credibility for the Company. In addition, our manufacturing facility has also received multiple certifications relevant to the manufacturing of dietary supplement products, including GMP from FDA and Intertek, HACCP and ISO 22000:2005 from Intertek, and HALAL certification from The Central Islamic Council of Thailand. We have also built our extraction facility to extract active ingredients from natural herbs for use in herbal dietary supplements and traditional medicine. This allows us to better control the quality of raw materials and ensure they are

free of chemical and full of nutrition. They can help enhance our product formulation and distinguish our dietary supplement from the remaining products in the market.

Even though dietary supplement business is highly competitive with low barriers to entry, a large portion of the players are small distributors and small contract manufacturers, not our direct competitors with comparable sizes. It is harder for smaller manufacturers to produce products with the same quality and efficacy as we do. Quick production turnover could also be a challenge as they do not have as large production capacity and inventory of extractions as we do, resulting in a longer wait time for client. With these reasons, together with our strategies, we believe we have the right competitive advantages to compete with other players in the market and become successful in dietary supplement business.

(5) Risk from Noncompliance with Laws and Regulations related to Dietary Supplement Business

Dietary supplement business is highly regulated under various laws, rules, and regulations from Food and Drug Administration (FDA), Ministry of Health. Manufacturing of the products must strictly follow manufacturing control standard and all products must obtain approval from FDA before they can be sold to customers. Product nutrition, active ingredients, and formulation must be in accordance with relevant regulations and must not exceed maximum amount specified by law. Labels and advertising claims must also be approved and displayed according to rules defined by FDA. This is to ensure that consumers are informed of necessary information before making a purchase decision and also to prevent exaggerated and false advertising claims especially on treatment of diseases. In addition, to be able to manufacture and distribute dietary supplement products, the Company needs to obtain relevant licenses and certifications, renew them, or retake the assessment as necessary within a time period specified by associated institutions.

Compliance with laws, rules, regulations, and relevant control standards, both currently enacted and future ones, is highly critical to the operations of our business. We need to regularly monitor changes in regulations and ensure our compliance at all time, even though sometimes it may lead to an increase in cost or additional expenses. Any noncompliance with relevant regulations, product noncompliance with FDA, or inability to renew licenses and certifications important to the Company's operations could significantly hurt the products, reputation, operations, and business opportunities of the Company. Therefore, we need to strictly follow laws, rules, regulations, and relevant control standards. Our R&D department is closely monitoring changes in laws, rules, regulations, and control standards relevant to the Company and is regularly reporting them, along with forecasted future trends, to the executives so that we can react to those changes effectively and promptly without disrupting our future operations.

(6) Risk from Potential Damage occurring as a result of Unsafe Product

Because dietary supplement products manufactured by the Company are for direct consumption and will directly affect health and body of different consumers, we need to be particularly cautious about the cleanliness of our product, safety of manufacturing practices, product formulation, and selection of raw material, extracts, and other ingredients used in manufacturing processes. Certain types of dietary supplement that should not be consumed by certain groups of people, such as children and pregnant women, need to have a proper consumption warning clearly stated on the label. Nevertheless, if risk arises from unsafe or harmful consumption which is proven to be manufacturer's defect, consumers may make complaints or sue the manufacturer to be responsible for any damages that occur. Manufacturing and distribution of the product may also be suspended which could negatively impact the image, reputation, and operating performance of the Company.

We placed great emphasis on quality, cleanliness, and safety of our products. We have quality control and quality assurance in every step of manufacturing beginning from R&D and product testing. We only use quality raw material with credible qualifications in accordance with the production plan. We check and examine our raw material thoroughly upon receiving them. We also strictly control quality of our raw material as well as our manufacturing process to ensure that we manufacture finished products that are safe and unharmed to consumers. In the past, the company has never received any complaints regarding harmfulness of our products.

(7) Risk from Major Shareholder with Authority to Set Management Policies

At present, Puntanaprates family is a major shareholder of the Company. With a holding of 64.06%, the family is in a position to influence and control almost all matters in the shareholder meeting. They can also control policies and management of the Company including appointment of directors and other matters requiring a majority vote of shareholders, except when it is required by law or company's regulations to have a three-fourths (3/4) majority vote. As a result, other shareholders of the Company have a risk of not being able to gather sufficient votes to counterbalance company's major shareholder.

To ensure transparency and balance of power, we build our management team with highly competent individuals and define a clear scope of work and authority for all directors and executives. We appointed 5 independent directors to represent 5 out of 9 Board of Directors members. 3 of the independent directors also hold a position in company's Audit Committee. The Audit Committee will help audit, balance decisions, and approve various matters before they are presented to the shareholder meeting.

In addition, the Company has formulated a policy and regulation concerning transactions with person who may have conflicts of interest to limit voting of connected persons. We also set up an internal audit department by hiring an independent external expert company who reports directly to the Audit Committee. Internal audit team will ensure that the Company's internal control system is in accordance with regulations specified. This is to build shareholder confidence on the transparency and balance of power in company's operations. Moreover, once the Company is listed on the stock exchange, it shall disclose all information and follow relevant rules and regulations from The Securities and Exchange Commission and The Stock Exchange of Thailand, such as regulations on connected transactions, the acquisition and disposition of assets, etc., to ensure the best interests of the Company and all shareholders.

(8) Investment Risk for Shareholders and Risk from Fluctuation of company's Stock Price

Price of company's common stock may fluctuate as a result of numerous factors, some of which are beyond control of the Company such as changes in economic and social conditions in related industries, fluctuation of stock market, difference of operating performance from expectations of investors and analysts, and changes in profits and share price of other listed companies with similar businesses. Other factors, including changes in legislation and industrial changes, could also impact company's operating performance and fluctuate its share price. Subsequently, investors may not generate returns as expected and may lost some or all investment money.

4. Assets used in business operations

4.1 Assets used in business operations

Details of the Company's fixed assets used in the business of the Company Summarized as follows.

Asset Types	Net book value As of December 31, 2020 (Million baht)	Proprietary	Obligation
1. Land and land improvement			
A) Land title deed number 140090, area 7-2-71.40 rai, land number 103, survey page 4543, Tha Chin Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province	24.07	Company	Collateral for a domestic financial institution
B) Land title deed number 140091, area 9-3-1.70 rai, land number 103, survey page 4543, Tha Chin Sub-district, Mueang Samut Sakhon District, Samutsakorn	34.14	Company	Some of them serve as collateral for financial institutions
C) Land title deed number 140052, area 8-1-57.80 rai, land number 104, survey page 4539, Tha Chin Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province	29.45	Company	Collateral for domestic financial institutions
D) Land title deed number 138496, area 16-0-66.80 rai, land number 2, survey page 4534, Tha Chin Subdistrict, Mueang Samut Sakhon District, Samutsakorn Province.	56.72	Company	Collateral for a domestic financial institution

E) Land improvement	5.15	company	
Including land and land improvement	149.53		
2. Buildings and building improvements			
A) building	134.09	company	-
B) building improvement	89.55		
Including buildings and building improvements	223.64		
3. Machinery and equipment	111.36	company	-
4. Furnishings and office equipment	4.22	company	-
5.Vehicles	1.69	Some of them are under financial lease agreements with Toyota Leasing (Thailand) Company Limited and Bank of Ayudhya Public Company Limited)	-
6. Assets under construction	17.80		-
Total	508.24		

4.2 Property insurance policy contract

The company has insurance for all property risks. Total sum assured of 306.80 million baht, details can be summarized as follows:

Policy type	Insurance company	assured	Insured property	Insurance sum(million baht)	Time period insurance
1. Property All Risks Insurance Policy	Thai Insurance Public Company Limited	DOD Biotech Public Company Limited	1. Building, (Not including foundations) including the addition of the fence, walls, doors, building, cafeteria, guardhouse, clean room LAN system, waste water treatment system, electrical system, air conditioning system, LAB room, including interior decoration work of the building	172.00	15 Dec 2020 To 15 Dec 2021
			2. Furniture, fixtures, fixtures. Office equipment Utilities	9.70	
			3. Machinery and equipment Used in action	85.10	
			4. Stock products	40.00	

4.3 Loan agreement

As of December 31, 2020, the Company has loan agreements from 2 local financial institutions with a total credit limit of 217 million baht.

Loan type	Loan limit (million baht)	Interest	Guarantee
1. Overdraft	5	2.75%	Fixed deposit
2. Promissory Note (P/N note)	10	The interest rate set by the bank in each moment	
3. Long-term loans	50	MLR-1	Title Deed No. 138496 and 140052
4. Overdraft	10	MLR-1	Title Deed No. 140090 and 140091
5. Promissory Note (P/N note)	102	The interest rate set by the bank in each moment	
6. Long term loan	40	MLR-1.5	

The said loan agreement. There is no requirement for the maintenance of the Debt to Equity Ratio (D / E Ratio) and the maintenance of the Debt Service Coverage Ratio (DSCR: Debt Service Coverage Ratio).

4.4 Trademarks

As of December 31, 2020, the Company owns 1 trademark with details as follows:

Trademarks	Detail Trademarks
	<p>On August 19, 2016, the Company submitted an application for this trademark registration with the Department of Intellectual Property. Ministry of Commerce Currently, it is pending approval from the said agency.</p>

4.5 Investment Policy in Subsidiaries and Associated Companies

The company has a policy to invest in other related businesses. Or beneficial to the main business of the company It is a business that has potential and can generate profits for the company in the long run. In which if it is an investment in a subsidiary The company will control or set management policy as if it is a unit of the company. As well as sending representatives to join as directors according to the shareholding proportion or in accordance with the mutual agreement. For investment in associates The company has no power to control. In this regard, sending a representative to join the Company's director will be considered as appropriate. And subject to mutual agreement Such person must have appropriate qualifications and experience in managing the affairs of the subsidiary and associated company. They closely monitor the operations of subsidiaries and associated companies in order to achieve the goals set by the company.

5. Legal disputes

As of December 31, 2020, the Company has no legal dispute which may cause damage to the Company more than 5% of the shareholders' equity. And there are no other legal disputes that may materially affect the Company's business operations.

6.General Information and Other Information

➤ General Information

A. Company	
Issuing Company	DOD Biotech PLC.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon 74000
Type of Business	Manufacturer of Dietary Supplement
Company Registration Number	0107560000419
Telephone	034-446-333, 034-446-444
Fax	034-440-373
Website	www.dodbiotech.com
Registered Capital	Baht 296.11 million
Paid-up Capital	Baht 205 million
Par value per share	Baht 0.50
B. Legal entities in which the Company holds 10% or more shares	
Company Name	DOD Healthy Life Co., Ltd.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon 74000

Type of Business	Holding Company
Company Registration Number	0745561010721
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 1,000,000
Par value per share	Baht 10
C. Legal entities in which the Company holds 10% or more shares	
Company Name	Ultima Life Co., Ltd.
Head Office Location	60 Soi Praditmanutham 19 Praditmanutham Rd., Lat Phrao, Lat Phrao, Bangkok
Type of Business	Network Marketing
Company Registration Number	0105562049146
Telephone	02-147-1683
Fax	-
Registered Capital	Baht 50 million
Paid-up Capital	Baht 50 million
Par value per share	Baht 10
D. Legal entities in which the Company holds 10% or more shares	

Company Name	HY DOD Co., Ltd.
Head Office Location	119/934 Moo 1, Sai Ma, Mueang Nonthaburi, Nonthaburi
Type of Business	Distributor of Dietary Supplement Products
Company Registration Number	0125562019778
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 500,000
Paid-up Capital	Baht 500,000
Par value per share	Baht 10
E. Legal entities in which the Company holds 10% or more shares	
Company Name	DOD Sale Power Co., Ltd.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon
Type of Business	Consulting Services
Company Registration Number	0745562006344
Telephone	034-446-333
Fax	034-440-373

Registered Capital	Baht 2,000,000
Paid-up Capital	Baht 2,000,000
Par value per share	Baht 100
F. Legal entities in which the Company holds 10% or more shares	
Company Name	Siam Herbal Tech Co., Ltd.
Head Office Location	166/9 Moo 2, Nhong Bon Daeng, Baan Bueng, Chonburi
Type of Business	Manufacturer of Extracts
Company Registration Number	0205562031483
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 260 million
Paid-up Capital	Baht 65 million
Par value per share	Baht 100
G. Legal entities in which the Company holds 10% or more shares	
Company Name	AK DOD Co., Ltd.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon

Type of Business	Distributor of Cosmetic and Dietary Supplement Products
Company Registration Number	0745562008398
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 500,000
Paid-up Capital	Baht 500,000
Par value per share	Baht 10
H. Legal entities in which the Company holds 10% or more shares	
Company Name	PCCA Laboratory Co., Ltd.
Head Office Location	59 Satriwithaya 2 Rd. Lat Phrao, Lat Phrao, Bangkok
Type of Business	Manufacturer and Distributor of Cosmetic and Cosmeceutical Products
	0105548143815
Company Registration Number	02-358-4646
Telephone	02-542-4339
Fax	Baht 90 million
Registered Capital	Baht 90 million
Paid-up Capital	Baht 100

Par value per share	
I. Other references	
1. Registrar of Securities	
Company	Thailand Securities Depository Co., Ltd.
Head Office Location	No. 93 Rachadapisek Road, Dindaeng, Bangkok 10400
Telephone	02-009-9000
Fax	02-009-9991
2. Auditor	
Company	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Head Office Location	AIA Sathorn Tower, 23rd – 27th Floor No. 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	02-034-0000
Fax	02-034-0100
Website	www.deloitte.com

➤ Other Information

None