



บริษัท ดีโอดี ไบโอเทค จำกัด (มหาชน)

111 หมู่ที่ 2 ตำบลท่าจีน อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000

111 Moo 2 Tambon Thachin, Amphur Muangsamutsakhon, Samutsakhon 74000, Thailand.

No. DOD2019/004

February 20, 2019

Subject: Management's discussion and analysis of the Company's operating results for the year 2018 period

To: President

The Stock Exchange of Thailand

DOD Biotech Public Company Limited ("the Company") would like to submit the management's discussion and analysis of our operating results for the year 2018 period ended December 31, 2018, as follows:

(Unit: Baht million)	Consolidated * 2018	2017	Increase / (Decrease)	% Change
Revenues from sales	666.36	387.35	279.01	103.38%
Other revenues	6.76	1.21	5.54	458.11%
Total revenues	673.12	388.56	284.55	73.23%
Cost of sales	256.50	155.02	101.48	65.46%
Selling expenses	30.19	15.79	14.39	91.13%
Administrative expenses	75.07	67.23	7.84	11.67%
Finance cost	3.73	3.51	0.23	6.42%
Profit before income tax expenses	307.62	147.01	160.61	109.25%
Income tax expenses (revenues)	2.37	4.83	-2.46	-50.96%
Profit for the year	305.26	142.19	163.07	114.69%
Unrealized gain on revaluation of investment held as available-for-sale	1.26	-	1.26	100%
Income tax relating to component of other comprehensive income (losses)	-0.25	-	-0.25	-100%
Total other comprehensive income	1.01	-	1.01	100%
Total comprehensive income for the year	306.27	142.19	164.08	115.40%
Gross profit margin	61.51%	59.98%	1.53%	
Net profit margin	45.50%	36.59%	8.91%	

*Note: The financial statements for the year ended December 31, 2018 are presented as consolidated financial statements. Due to the establishment of a subsidiary on 26 December 2018

1. Revenues from sales

The Company recorded revenues from sales in year 2018 of Baht 666.36 million, a year-on-year growth of Baht 279.01 million or 72.03% mainly attributable to consistent orders from present customer and new customer.

1. Cost of sales and gross profit

The Company's cost of sales in year 2018 amounted to Baht 256.50 million, rising year-on-year by Baht 101.48 million or 65.46%, which was in line with the sharp rising in revenues from sales in this period. Gross profit margin in year 2018 was 61.51%, going up by 59.98% year-on-year. The growth in year 2018 gross profit margin was mainly driven by the adoption of economies of scale and efficient control of production cost.

2. Selling expenses

In year 2018, the Company incurred selling expenses of Baht 30.19 million, rising year-on-year by Baht 14.39 million or 91.13%. This was chiefly ascribed rising in the Company's commission following the increase in sale.

3. Administrative expenses

The Company's administrative expenses in year 2018 accounted for Baht 75.07 million, going up year-on-year by Baht 7.84 million or 11.67% mainly attributable to increase in expenses on staff and top executives, following the annual salary increment and the increase in executive positions to support growth in the future.

5. Net profit and net profit margin

In year 2018, the Company posted a net profit of Baht 306.27 million, a year-on-year growth of Baht 164.08 million or 115.40% with a net profit margin of 45.50%, up from 36.59% in the previous corresponding period on the back of a considerable increase in sales and significant increase in gross profit margin, which substantially pushed up its net profit and net profit margin.

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Financial position

The Company recorded total assets of Baht 1,406.64 million in the year 2018, a Baht 952.44 million or 209.69% growth from that of Baht 454.21 million as at December 31, 2017, mainly attributable to increases by Baht 24.89 million in cash and cash equivalents following the initial public offering of new shares (IPO), Baht 295.00 million Temporary investment Because the money received from the sale of shares to deposit in fixed account., Baht 14.70 million in trade and other receivables, Baht 401.26 million Investment held as available-for-sale, Baht 15.07 million in Fixed deposit used as collateral, Baht 16.09 million in property, plant and equipment, and Baht 150 million in deposit for feasibility study to invest in a company.

The Company's total liabilities as at December 31, 2018 amounted to Baht 222.38 million, Increased by Baht 57.70 million or 35.04% from those of Baht 164.68 million as at December 31, 2017. It stemmed principally from a Baht 145.40 million Increased in accrued dividend payable following the Company's announcement of interim dividend payment from six-month period from April 1, 2018 to September 30, 2018 net profit, a decrease in full in long-term loan repayment to financial institutions by Baht 40.36 million, and a Baht 45.24 million decline in trade and other payables, which was mainly the decline in advance receipt of goods payment, i.e. deposit, from a new customer who ordered a large volume of products. Delivery of the products has gradually been made since Q1/2018.

The Company had shareholders' equity of Baht 1,184.26 million as at December 31, 2018, a growth of Baht 1894.74 million or 309.04% from that of Baht 289.52 million as at December 31, 2017, driven mainly by Profit for the year 2018 of Baht 306.27 million, ordinary share premium of Baht 939.87 million and new share issuance for capital increase of Baht 55 million.

Please be informed accordingly.

Yours sincerely,

Miss Supamas Isarabhakdi

Chief Executive Officer

DOD Biotech Public Company Limited