



DOD BIOTECH PUBLIC COMPANY LIMITED

เลขที่ 111 หมู่ที่ 2 ตำบลท่าจีน อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000

111 Moo 2 TambonThachin, Amphurmuangsamutsakhon, Samutsakhon 74000

No. DOD021/65

February 24, 2022

Subject: Management's Discussion and Analysis for the year of 2021

To: The President  
The Stock Exchange of Thailand (SET)

DOD Biotech Public Company Limited and its subsidiaries ("Company") would like to notify the operating result stated in consolidated financial statements for the year of 2021.

For the operating result of the year ended December 31, 2021 compared with the same period of 2020, the Company had the Revenue from Sale of THB 1,015.32 Million, which was decreased by THB 62.01 Million or 5.76% and operating profit of THB 307.78 Million, which was decreased by THB 46.45 Million or 13.11%. When adjusted for other items, as a result the net profit for the year attributable to Owners of the parent by THB 49.79 Million, which was decreased by 64.75%, compared with the same period of last year.

For the year ended 31 December 2021

Unit : Million THB

	2021		2020		Increase/(Decrease)	
Revenues from Sale	1,015.32	100.00%	1,077.33	100.00%	(62.01)	(5.76%)
Cost of Sales	580.70	57.19%	616.39	57.21%	(35.69)	(5.79%)
<b>Gross Profit</b>	<b>434.62</b>	<b>42.81%</b>	<b>460.94</b>	<b>42.79%</b>	<b>(26.32)</b>	<b>(5.71%)</b>
Selling Expenses	18.68	1.84%	14.79	1.37%	3.89	26.30%
Administrative Expenses	108.16	10.65%	91.92	8.53%	16.24	17.67%
<b>Operating Profit</b>	<b>307.78</b>	<b>30.31%</b>	<b>354.23</b>	<b>32.88%</b>	<b>(46.45)</b>	<b>(13.11%)</b>
Other Revenues	3.03	0.30%	2.60	0.24%	0.43	16.54%
Finance Revenues	0.25	0.02%	0.22	0.02%	0.03	13.64%
Finance Cost	6.71	0.66%	6.85	0.64%	(0.14)	(2.04%)
Other expenses	39.28	3.87%	25.55	2.37%	13.73	53.74%
<b>Earning before tax</b>	<b>265.07</b>	<b>26.11%</b>	<b>324.65</b>	<b>30.13%</b>	<b>(59.58)</b>	<b>(18.35%)</b>
tax expenses	31.96	3.15%	33.87	3.14%	(1.91)	(5.64%)
<b>Profit for the year from continued operation</b>	<b>233.11</b>	<b>22.96%</b>	<b>290.78</b>	<b>26.99%</b>	<b>(57.67)</b>	<b>(19.83%)</b>
Profit for the year from discontinued	(213.71)	(21.05%)	(157.56)	(14.63%)	(56.15)	35.64%
<b>Profit for the year</b>	<b>19.40</b>	<b>1.91%</b>	<b>133.22</b>	<b>12.37%</b>	<b>(113.82)</b>	<b>(85.44%)</b>
Non-controlling interests of the subsidiaries						
Loss for the year from continued operation	(4.12)	(0.41%)	10.79	1.00%	(14.91)	(138.18%)
Loss for the year from discontinued operation	(26.27)	(2.59%)	(18.83)	(1.75%)	(7.44)	39.51%
<b>Profit for the year attributable to Non-controlling</b>	<b>(30.39)</b>	<b>(2.99%)</b>	<b>(8.04)</b>	<b>(0.75%)</b>	<b>(22.35)</b>	<b>277.99%</b>
<b>Profit for the year attributable to Owners of the parent</b>	<b>49.79</b>	<b>4.90%</b>	<b>141.26</b>	<b>13.11%</b>	<b>(91.47)</b>	<b>(64.75%)</b>



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### **Revenue from Sale**

For the year of 2021, The Company had the Revenue from Sale of THB 1,015.32 Million which was decrease by THB 62.01 Million or 5.76% compared with the same period of last year due to the outbreak of the coronavirus disease 2019 (COVID-19).

### **Gross Profit and Gross Profit Margin**

For the year of 2021, the Company had gross profit by THB 434.62 Million that was decrease by THB 26.32 Million or 5.71%, which corresponds to decreases of revenue from sale and Gross Profit Margin was nearby 43%.

### **Selling and distribution expenses**

For the year of 2021, the Company had the selling and distribution expenses by THB 18.68 Million that was increased by THB 3.89 Million, which mainly came from the preparation of media to promote the image of the company.

### **Administrative Expenses**

For the year of 2021, the Company had administrative expenses by THB 108.16 Million which increased by THB 16.24 Million or 17.67% which mainly came from the expenses related to the detection and prevention of the outbreak of the coronavirus disease 2019 (COVID-19) in the organization and expenses to support government agencies in research and development on hemp.

### **Operating Profit**

For the year of 2021, the Company had the operating profit by THB 307.78 Million which decreased by THB 46.45 Million or 13.11% compared with the same period of the last year due to the decreasing of revenue from sale and increased administrative expenses.

### **Other expense**

The Company has record allowance for loss impairment and advance payment of fixed asset due to the company's business restructuring.

### **Profit for the period from continued operation**

The Company had profit from continued operation that was decreased from THB 290.78 Million to THB 233.11 Million, which was decrease 19.83% due to the decreasing of revenue from sale and increased other expenses.



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**Loss for the period from discontinued operation**

For the year of 2021, the Company had loss from discontinued operation by THB 213.71 Million due to the two subsidiaries business discontinued operation.

**The profit for the year attributable to Owners of the parent**

The Company has the profit for the year attributable to Owners of the parent by THB 49.79 Million, which was decrease 64.75%, compared with the same period of the last year, which mainly came from the profit for the period from continued operation decreased and loss from discontinued operation.

The Statement of Financial position as at December 31, 2021 is as following:

Unit : Million THB

	As at 31 December 2021		As at 31 December 2020		Change	
Cash and cash equivalents	161.68	9.94%	143.00	8.14%	18.68	13.06%
Trade Receivables&Other current receivables	337.74	20.76%	272.47	15.50%	65.27	23.95%
Inventories	113.46	6.97%	246.33	14.02%	(132.87)	(53.94%)
Other current assets	13.12	0.81%	11.62	0.66%	1.50	12.91%
<b>Total Current Assets</b>	<b>626.00</b>	<b>38.48%</b>	<b>673.42</b>	<b>38.32%</b>	<b>(47.42)</b>	<b>(7.04%)</b>
Fixed deposit used as collateral	16.93	1.04%	16.08	0.91%	0.85	5.29%
Investments held as available-for-sale	2.60	0.16%	105.71	6.01%	(103.11)	(97.54%)
Property, plant and equipment	904.14	55.57%	863.96	49.16%	40.18	4.65%
Rights of use assets	56.88	3.50%	11.79	0.67%	45.09	382.44%
Intangible assets	5.66	0.35%	11.44	0.65%	(5.78)	(50.52%)
Deferred tax assets	7.89	0.48%	26.53	1.51%	(18.64)	(70.26%)
Advance for purchasing fixed assets	6.40	0.39%	46.61	2.65%	(40.21)	(86.27%)
Other non-current assets	0.50	0.03%	2.04	0.12%	(1.54)	(75.49%)
<b>Total Non-Current Assets</b>	<b>1,001.00</b>	<b>61.52%</b>	<b>1,084.16</b>	<b>61.68%</b>	<b>(83.16)</b>	<b>(7.67%)</b>
<b>Total Assets</b>	<b>1,627.00</b>	<b>100.00%</b>	<b>1,757.58</b>	<b>100.00%</b>	<b>(130.58)</b>	<b>(7.43%)</b>

As of December 31, 2021, the total assets were decreased by THB 130.58 Million or 7.43% compared with December 31, 2020 which mainly came from the inventories decreased due to the two subsidiaries business discontinued operation and therefore had to record allowance for reduction of inventory, disposals of foreign investments resulting, the deferred tax assets have also decreased and the subsidiary record allowance for loss from advance payment of fixed asset.



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The rights of use assets was increased due to the subsidiary has entered into a lease agreement of land with buildings during the year 2021.

Unit : Million THB

	As at 31 December 2021		As at 31 December 2020		Change	
	Value	%	Value	%	Value	%
Bank overdraft and short-term borrowings from financial institution	77.00	4.73%	130.39	7.42%	(53.39)	(40.95%)
Trade and other current payables	120.59	7.41%	233.86	13.31%	(113.27)	(48.43%)
Current portion of long-term borrowings	28.76	1.77%	39.58	2.25%	(10.82)	(27.34%)
Current portion of Operating Leases Agreement	4.92	0.30%	8.34	0.47%	(3.42)	(41.01%)
Income tax payable	-	0.00%	25.32	1.44%	(25.32)	(100.00%)
Other current liabilities	27.89	1.71%	31.00	1.76%	(3.11)	(10.03%)
<b>Total Current Liabilities</b>	<b>259.16</b>	<b>15.93%</b>	<b>468.49</b>	<b>26.66%</b>	<b>(209.33)</b>	<b>(44.68%)</b>
Long-term borrowings	19.31	1.19%	22.28	1.27%	(2.97)	(13.33%)
Liabilities under operating lease agreement	53.31	3.28%	4.56	0.26%	48.75	1069.08%
Employee benefit obligations	5.37	0.33%	5.05	0.29%	0.32	6.34%
Deferred tax liabilities	12.05	0.74%	24.10	1.37%	(12.05)	(50.00%)
Other non-current liabilities	15.50	0.95%	8.17	0.46%	7.33	89.72%
<b>Total Non-Current Liabilities</b>	<b>105.54</b>	<b>6.49%</b>	<b>64.16</b>	<b>3.65%</b>	<b>41.38</b>	<b>64.50%</b>
<b>Total Liabilities</b>	<b>364.70</b>	<b>22.42%</b>	<b>532.65</b>	<b>30.31%</b>	<b>(167.95)</b>	<b>(31.53%)</b>
<b>Shareholder's Equity</b>	<b>1,262.30</b>	<b>77.58%</b>	<b>1,224.93</b>	<b>69.69%</b>	<b>37.37</b>	<b>3.05%</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>1,627.00</b>	<b>100.00%</b>	<b>1,757.58</b>	<b>100.00%</b>	<b>(130.58)</b>	<b>(7.43%)</b>

As of December 31, 2021, total liabilities were decreased by THB 167.95 Million or 31.53% compared with December 31, 2020 consisted of the bank overdraft, short-term and current portion of long-term borrowings from financial institution due to the repayment according to the payment terms, trade payables decreased due to the repayment according to the credit terms and income tax payable decreased from payment of income tax for the year.

The liabilities under operating lease agreement increased due to the subsidiary has entered into a lease agreement of land with buildings during the year 2021.

For the Company's financial position, the Company had current ratio 2.42 times and debt to equity ratio 0.29 times, shown that its sufficient liquidity and strong financial position.



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In conclusion, although the economic circumstance has slowdown intensified from the COVID-19 outbreak, until affecting the Company's operating result for the year of 2021 as a result, the revenue from sale and operating profit decreased and from high-risk and fragile economic conditions. The Company has assessed the risks of business operations in both the short and long term. Therefore, the two subsidiaries business discontinued operation, which consisted of the cosmetic and network marketing business. The implementation of such a significant impact, resulting in the profit for the year attributable to Owners of the parent decreased. Nevertheless, the company foresees that this restructuring of the organization will result in a company with sustainable growth in the future.

Please be informed accordingly,

Yours Sincerely,

DOD Biotech Public Company Limited

(Miss Suwarin Konthong)

Director