

No. DOD-E046/2565

May 12, 2022

Subject: Management's Discussion and Analysis for the first quarter of 2022

 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 first quarter of 2022 compared with the same period of 2021.

For the operating result of the first Quarter ended March 31, 2022 compared with the same period of 2021, the Company had the Revenue from Sale of THB 160.82 Million, which was decrease by THB 194.71 Million or 54.77% and operating profit of THB 6.52 Million, which was decrease by THB 141.26 Million or 95.59%. When adjusted for other items, as a result the net loss for the year attributable to Owners of the parent by THB 0.72 Million, which was decrease by 101.30%, compared with the same period of last year.

**For the three-mount period ended 31 March 2022**
**Unit : Million THB**

	Jan. - Mar. 2022		Jan. - Mar. 2021		Increase/(Decrease)	
Revenues from Sale	160.82	100.00%	355.53	100.00%	(194.71)	(54.77%)
Cost of Sales	111.22	69.16%	180.50	50.77%	(69.28)	(38.38%)
<b>Gross Profit</b>	<b>49.60</b>	<b>30.84%</b>	<b>175.03</b>	<b>49.23%</b>	<b>(125.43)</b>	<b>(71.66%)</b>
Selling Expenses	4.98	3.10%	4.38	1.23%	0.60	13.70%
Administrative Expenses	38.10	23.69%	22.87	6.43%	15.23	66.59%
<b>Operating Profit</b>	<b>6.52</b>	<b>4.05%</b>	<b>147.78</b>	<b>41.57%</b>	<b>(141.26)</b>	<b>(95.59%)</b>
Other Revenues	0.56	0.35%	0.37	0.10%	0.19	51.35%
Finance Revenues	0.01	0.01%	0.01	0.00%	0.00	40.00%
Finance Cost	1.57	0.98%	1.38	0.39%	0.19	13.77%
Other expenses	0.98	0.61%	(14.63)	(4.11%)	15.61	(106.70%)
<b>Earning before tax</b>	<b>4.54</b>	<b>2.83%</b>	<b>161.41</b>	<b>45.40%</b>	<b>(156.87)</b>	<b>(97.18%)</b>
tax expenses	0.25	0.16%	0.28	0.08%	(0.03)	(10.71%)
<b>Profit for the period from continued operation</b>	<b>4.29</b>	<b>2.67%</b>	<b>161.13</b>	<b>45.32%</b>	<b>(156.84)</b>	<b>(97.34%)</b>
Loss for the period from discontinued	(6.33)	(3.94%)	(119.41)	(33.59%)	113.08	(94.70%)
<b>Profit (loss) for the period</b>	<b>(2.04)</b>	<b>(1.27%)</b>	<b>41.72</b>	<b>11.73%</b>	<b>(43.76)</b>	<b>(104.88%)</b>
Non-controlling interests of the subsidiaries						
Loss for the year from continued operation	(0.69)	(0.43%)	(0.73)	(0.21%)	0.04	(5.48%)
Loss for the year from discontinued operation	(0.63)	(0.39%)	(12.68)	(3.57%)	12.05	(95.03%)
<b>Loss for the period attributable to Non-controlling interest</b>	<b>(1.32)</b>	<b>(0.82%)</b>	<b>(13.41)</b>	<b>(3.77%)</b>	<b>12.09</b>	<b>(90.16%)</b>
<b>Profit (loss) for the period attributable to Owners of the</b>	<b>(0.72)</b>	<b>(0.45%)</b>	<b>55.13</b>	<b>15.51%</b>	<b>(55.85)</b>	<b>(101.30%)</b>

### **Revenue from Sale**

For the first Quarter 2022, The Company had the Revenue from Sale of THB 160.82 Million which was decrease by THB 194.71 Million or 54.77% 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 first Quarter 2022, the Company had gross profit by THB 49.60 Million that was decrease by THB 125.43 Million or 71.66%, which corresponds to decreases of revenue from sale and Gross Profit Margin was decrease from the same period of last year due to the significant reduction in revenue from sale, as results diseconomies of Scale.

### **Selling and distribution expenses**

For the first Quarter 2022, the Company had the selling and distribution expenses by THB 4.98 Million that was increased by THB 0.60 Million, which mainly came from the preparation of media to promote the image of the company.

### **Administrative Expenses**

For the first Quarter 2022, the Company had administrative expenses by THB 38.10 Million which increased by THB 15.23 Million or 66.59% which mainly came from the expenses related to Siam Herbal Tech Company Limited, a subsidiary that started the business since the beginning of 2022 in the production of hemp.

### **Operating Profit**

For the first Quarter 2022, the Company had the operating profit by THB 6.52 Million which decreased by THB 141.26 Million or 95.59% compared with the same period of the last year due to the decreasing of revenue from sale and increased operating expenses.

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

The Company had profit from continued operation that was decrease from THB 161.13 Million to THB 4.29 Million, which was decrease 97.34% due to the decreasing of operating profit and increased other expenses.

### **Loss for the period from discontinued operation**

For the first Quarter 2022, the Company had loss from discontinued operation by THB 6.33 Million, which decreased compared with the same period of the last year by THB 119.41 Million due to the two subsidiaries business discontinued operation.

### **The loss for the year attributable to Owners of the parent**

The Company has the loss for the year attributable to Owners of the parent by THB 0.72 Million, which decreased compared with the same period of the last year by THB 55.13 Million mainly came from the profit for the period from continued operation decreased and loss from discontinued operation.

The Statement of Financial position as at March 31, 2022 is as following;

**Unit : Million THB**

	As at 31 March 2022		As at 31 December 2021		Change	
	Value	%	Value	%	Value	%
Cash and cash equivalents	75.43	4.72%	161.68	9.94%	(86.25)	(53.35%)
Trade Receivables&Other current receivables	387.37	24.26%	337.74	20.76%	49.63	14.69%
Inventories	112.63	7.05%	113.46	6.97%	(0.83)	(0.73%)
Other current assets	8.64	0.54%	13.12	0.81%	(4.48)	(34.15%)
<b>Total Current Assets</b>	<b>584.07</b>	<b>36.58%</b>	<b>626.00</b>	<b>38.48%</b>	<b>(41.93)</b>	<b>(6.70%)</b>
Fixed deposit used as collateral	16.93	1.06%	16.93	1.04%	-	-
Investments held as available-for-sale	2.60	0.16%	2.60	0.16%	-	-
Property, plant and equipment	914.19	57.26%	904.14	55.57%	10.05	1.11%
Rights of use assets	56.15	3.52%	56.89	3.50%	(0.74)	(1.30%)
Intangible assets	6.34	0.40%	5.66	0.35%	0.68	12.01%
Deferred tax assets	9.12	0.57%	7.90	0.49%	1.22	15.44%
Advance for purchasing fixed assets	6.76	0.42%	6.37	0.39%	0.39	6.12%
Other non-current assets	0.50	0.03%	0.50	0.03%	-	-
<b>Total Non-Current Assets</b>	<b>1,012.59</b>	<b>63.42%</b>	<b>1,000.99</b>	<b>61.52%</b>	<b>11.60</b>	<b>1.16%</b>
<b>Total Assets</b>	<b>1,596.66</b>	<b>100.00%</b>	<b>1,626.99</b>	<b>100.00%</b>	<b>(30.33)</b>	<b>(1.86%)</b>

As of March 31, 2022, the total assets were decrease by THB 30.33 Million or 1.86% compared with December 31, 2021 which mainly came from cash and cash equivalents was decreased by THB 86.26 Million, although the increasing of trade receivable by THB 49.63 million and property, plant and equipment by THB 10.05 million.

**Unit : Million THB**

	As at 31 March 2022		As at 31 December 2021		Change	
	Value	%	Value	%	Value	%
Bank overdraft and short-term borrowings from financial institution	65.00	4.07%	77.00	4.73%	(12.00)	(15.58%)
Trade and other current payables	108.84	6.82%	120.59	7.41%	(11.75)	(9.74%)
Current portion of long-term borrowings	27.93	1.75%	28.76	1.77%	(0.83)	(2.89%)
Current portion of Operating Leases Agreement	4.92	0.31%	4.92	0.30%	-	-
Income tax payable	1.86	0.12%	-	0.00%	1.86	-
Other current liabilities	26.64	1.67%	27.89	1.71%	(1.25)	(4.48%)
<b>Total Current Liabilities</b>	<b>235.19</b>	<b>14.73%</b>	<b>259.16</b>	<b>15.93%</b>	<b>(23.97)</b>	<b>-9.25%</b>
Long-term borrowings	13.61	0.85%	19.31	1.19%	(5.70)	(29.52%)
Liabilities under operating lease agreement	52.84	3.31%	53.31	3.28%	(0.47)	(0.88%)
Employee benefit obligations	6.00	0.38%	5.37	0.33%	0.63	11.73%
Deferred tax liabilities	11.66	0.73%	12.05	0.74%	(0.39)	(3.24%)
Other non-current liabilities	17.10	1.07%	15.50	0.95%	1.60	10.32%
<b>Total Non-Current Liabilities</b>	<b>101.21</b>	<b>6.34%</b>	<b>105.54</b>	<b>6.49%</b>	<b>(4.33)</b>	<b>(4.10%)</b>
<b>Total Liabilities</b>	<b>336.40</b>	<b>21.07%</b>	<b>364.70</b>	<b>22.42%</b>	<b>(28.30)</b>	<b>(7.76%)</b>
<b>Shareholder's Equity</b>	<b>1,260.26</b>	<b>78.93%</b>	<b>1,262.29</b>	<b>77.58%</b>	<b>(2.03)</b>	<b>(0.16%)</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>1,596.66</b>	<b>100.00%</b>	<b>1,626.99</b>	<b>100.00%</b>	<b>(30.33)</b>	<b>(1.86%)</b>

As of March 31, 2022, total liabilities were decrease by THB 28.30 Million or 7.76% compared with December 31, 2021 due to the Company have repayment short-term borrowings from financial institution amount THB 12.00 million according to the payment terms and trade payables amount THB 11.75 million according to the credit terms.

For the Company's financial position, the Company had current ratio 2.48 times and debt to equity ratio 0.27 times, shown that its sufficient liquidity and strong financial position.

In conclusion, although the economic circumstance has slowdown intensified from the COVID-19 outbreak, which affecting the Company's operating result for the year of 2021 until the first Quarter 2022 as a result, the revenue from sale and operating profit decreased. However, The Company has increased the potential of the group of companies by investing in Siam Herbal Tech Company Limited to produce extracts for expand the existing business and new businesses.

Please be informed accordingly,

Yours Sincerely,  
DOD Biotech Public Company Limited

(Miss Suvarin Konthong)  
Director