

No. DOD-E129/2565

November 10, 2022

Subject: Management Discussion and Analysis for the third 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 third quarter of 2022 compared with the same period of 2021.

For the operating result of the three - month ended September 30, 2022 compared with the same period of 2021, the Company had the Revenue from Sale of THB 163.88 Million, which was decrease by THB 20.37 Million or 11.06% and operating profit of THB 3.45 Million, which was decrease by THB 32.84 Million or 90.49%. When it was adjusted for other items, as a result the profit attributable to Equity holders of the parent company by THB 0.30 Million, which was decrease by 98.64%, compared with the same period of last year.

For the three-month period ended 30 September 2022
Unit : Million THB

	Jul. - Sep. 2022		Jul. - Sep. 2021		Increase/(Decrease)	
Revenues from Sale	163.88	100.00%	184.25	100.00%	(20.37)	(11.06%)
Cost of Sales	119.63	73.00%	113.26	61.47%	6.37	5.62%
Gross Profit	44.25	27.00%	70.99	38.53%	(26.74)	(37.67%)
Selling and Distribution Expenses	4.06	2.48%	4.49	2.44%	(0.43)	(9.58%)
Administrative Expenses	36.74	22.42%	30.21	16.40%	6.53	21.62%
Operating Profit	3.45	2.11%	36.29	19.70%	(32.84)	(90.49%)
Other Revenues	4.88	2.98%	1.13	0.61%	3.75	331.86%
Finance Income	0.02	0.01%	0.02	0.01%	-	-
Finance Cost	1.84	1.12%	2.46	1.34%	(0.62)	(25.20%)
Other expenses	(0.70)	(0.43%)	(2.58)	(1.40%)	1.88	(72.87%)
Earning before tax	7.21	4.40%	37.56	20.39%	(30.35)	(80.80%)
tax expenses	(1.98)	(1.21%)	(9.23)	(5.01%)	7.25	(78.55%)
Profit for the period from continued operation	5.23	3.19%	28.33	15.38%	(23.10)	(81.54%)
Loss for the period from discontinued	(3.89)	(2.37%)	(7.86)	(4.27%)	3.97	(50.51%)
Profit for the period	1.34	0.82%	20.47	11.1%	(19.13)	(93.45%)
Non-controlling interests of the subsidiaries						
Profit (Loss) for the year from continued operation	0.92	0.56%	(2.18)	(1.18%)	3.10	(142.20%)
Profit for the year from discontinued operation	0.12	0.07%	0.66	0.36%	(0.54)	(81.82%)
Profit (Loss) for the period attributable to Non-controlling interest	1.04	0.63%	(1.52)	(0.82%)	2.56	(168.42%)
Profit attributable to Equity holders of the parent company	0.30	0.18%	21.99	11.93%	(21.69)	(98.64%)

Revenue from Sale

For the third Quarter 2022, The Company had the Revenue from Sale of THB 163.88 Million which was decrease by THB 20.37 Million or 11.06% compared with the same period of last year because the company have changed the customer base for diversified the market risk.

Gross Profit and Gross Profit Margin

For the third Quarter 2022, the Company had gross profit by THB 44.25 Million that was decrease by THB 26.74 Million or 37.67%, which corresponds to decreases of revenue from sale and Gross Profit Margin was decrease from the same period of last year because the company have changed the customer base for diversified the market risk.

Selling and distribution expenses

For the third Quarter 2022, the Company had the selling and distribution expenses by THB 4.06 Million that was decreased by THB 0.43 Million or 9.58%, which corresponds to decrease of sales.

Administrative Expenses

For the third Quarter 2022, the Company had administrative expenses by THB 36.74 Million which increased by THB 6.53 Million or 21.62% 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 third Quarter 2022, the Company had the operating profit by THB 3.45 Million which decreased by THB 32.84 Million or 90.49% compared with the same period of the last year due to the decrease of revenue from sale and gross profit margin as well as increase of the administrative expenses.

Profit for the period from continued operation

The Company had profit from continued operation that was decrease from THB 28.33 Million to THB 5.23 Million, which was decrease 81.54% due to the decreasing of operating profit.

Loss for the period from discontinued operation

For the third Quarter 2022, the Company had loss from discontinued operation by THB 3.89 Million, which decreased compared with the same period of the last year by THB 7.86 Million due to the two subsidiaries business discontinued operation.

The profit attributable to equity holders of the parent company

The Company has the profit attributable to equity holders of the parent company by THB 0.30 Million, which decreased compared with the same period of the last year by THB 21.99 Million which was decrease THB 21.69 Million or 98.64%, which mainly came from the decrease of operating profit.

The Statement of Financial position as at September 30, 2022 is as following;

Unit : Million THB

	As at 30 September 2022		As at 31 December 2021		Change	
Cash and cash equivalents	19.42	1.19%	161.68	9.94%	(142.26)	(87.99%)
Trade Receivables&Other current receivables	483.75	29.58%	337.74	20.76%	146.01	43.23%
Inventories	101.96	6.23%	113.46	6.97%	(11.50)	(10.14%)
Other current assets	11.71	0.72%	13.12	0.81%	(1.41)	(10.75%)
Total Current Assets	616.84	37.72%	626.00	38.48%	(9.16)	(1.46%)
Fixed deposit used as collateral	16.99	1.04%	16.93	1.04%	0.06	0.35%
Investments held as available-for-sale	2.60	0.16%	2.60	0.16%	-	-
Property, plant and equipment	918.09	56.14%	904.14	55.57%	13.95	1.54%
Rights of use assets	54.66	3.34%	56.89	3.50%	(2.23)	(3.92%)
Intangible assets	5.83	0.36%	5.66	0.35%	0.17	3.00%
Deferred tax assets	10.57	0.65%	7.90	0.49%	2.67	33.80%
Advance for purchasing fixed assets	9.32	0.57%	6.37	0.39%	2.95	46.31%
Other non-current assets	0.50	0.03%	0.50	0.03%	-	-
Total Non-Current Assets	1,018.56	62.28%	1,000.99	61.52%	17.57	1.76%
Total Assets	1,635.40	100.00%	1,626.99	100.00%	8.41	0.52%

As of September 30, 2022, the total assets were increase by THB 8.41 Million or 0.52% compared with December 31, 2021 which mainly came from property, plant and equipment by THB 13.95 Million due to the investment in the machine for extraction plant of a subsidiary.

Unit : Million THB

	As at 30 September 2022		As at 31 December 2021		Change	
Bank overdraft and short-term borrowings from financial institution	143.34	8.76%	77.00	4.73%	66.34	86.16%
Trade and other current payables	111.08	6.79%	120.59	7.41%	(9.51)	(7.89%)
Current portion of long-term borrowings	23.83	1.46%	28.76	1.77%	(4.93)	(17.14%)
Current portion of Operating Leases Agreement	5.52	0.34%	4.92	0.30%	0.60	12.20%
Income tax payable	1.39	0.08%	-	0.00%	1.39	100.00%
Other current liabilities	22.19	1.36%	27.89	1.71%	(5.70)	(20.44%)
Total Current Liabilities	307.35	18.79%	259.16	15.93%	48.19	18.59%
Long-term borrowings	4.64	0.28%	19.31	1.19%	(14.67)	(75.97%)
Liabilities under operating lease agreement	53.56	3.28%	53.31	3.28%	0.25	0.47%
Employee benefit obligations	7.13	0.44%	5.37	0.33%	1.76	32.77%
Deferred tax liabilities	11.01	0.67%	12.05	0.74%	(1.04)	(8.63%)
Other non-current liabilities	16.79	1.03%	15.50	0.95%	1.29	8.32%
Total Non-Current Liabilities	93.13	5.69%	105.54	6.49%	(12.41)	(11.76%)
Total Liabilities	400.48	24.49%	364.70	22.42%	35.78	9.81%
Shareholder's Equity	1,234.92	75.51%	1,262.29	77.58%	(27.37)	(2.17%)
Total Liabilities and Shareholder's Equity	1,635.40	100.00%	1,626.99	100.00%	8.41	0.52%

As of September 30, 2022, total liabilities were increase by THB 35.78 Million or 9.81% compared with December 31, 2021 because the Company have cash receipt from short - term borrowings from financial institution amount of THB 66.34 Million

In conclusion, the economy circumstances have adversely slow down which affecting the Company's operating result in both of the revenue from sale and gross profit margin. 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 Suwarin Konthong)
Director