



No. DOD-E031/2566

May 11, 2023

Subject: Management Discussion and Analysis for the first quarter of 2023

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 2023 compared with the same period of 2022.

For the operating result of the first Quarter ended March 31, 2023 compared with the same period of 2022, the Company had the Revenue from Sale of THB 117.41 Million, which was decrease by THB 43.41 Million or 26.99% and operating profit(loss) of THB (18.02) Million, which was decrease by THB 24.54 Million or 376.38%. When it was adjusted for other items, as a result the profit(loss) attributable to Equity holders of the parent company by THB (17.43) Million, which was decrease by THB 16.72 Million, compared with the same period of last year.

For the three-mount period ended 31 March 2023

Unit : Million THB

	Jan. – Mar. 2023		Jan. – Mar. 2022		Increase/(Decrease)	
Revenues from Sale	117.41	100.00%	160.82	100.00%	(43.41)	(26.99%)
Cost of Sales	82.23	70.04%	111.22	69.16%	(28.99)	(26.07%)
Gross Profit	35.18	29.96%	49.60	30.84%	(14.42)	(29.07%)
Selling and Distribution Expenses	11.69	9.96%	4.98	3.10%	6.71	134.74%
Administrative Expenses	41.51	35.35%	38.10	23.69%	3.41	8.95%
Operating Profit(Loss)	(18.02)	(15.35%)	6.52	4.05%	(24.54)	(376.38%)
Other Revenues	5.06	4.31%	0.56	0.35%	4.50	803.57%
Finance Income	0.01	0.01%	0.01	0.01%	(0.00)	(28.57%)
Finance Cost	2.19	1.87%	1.57	0.98%	0.62	39.49%
Other expenses	0.00	0.00%	0.98	0.61%	(0.98)	(99.69%)
Profit (loss) before income tax expenses	(15.14)	(12.90%)	4.54	2.83%	(19.69)	(433.25%)
Income tax income (expenses)	(0.38)	(0.32%)	(0.25)	(0.16%)	(0.13)	52.00%
Profit(Loss) for the year from continued operation	(15.52)	(13.22%)	4.29	2.67%	(19.82)	(461.50%)
Loss for the year from discontinued	(3.98)	(3.39%)	(6.33)	(3.94%)	2.35	(37.12%)
Profit(Loss) for the year	(19.50)	(16.61%)	(2.04)	(1.27%)	(17.47)	857.91%
Non-controlling interests of the subsidiaries						
Loss for the year from continued operation	(1.67)	(1.42%)	(0.69)	(0.43%)	(0.98)	142.03%
Loss for the year from discontinued operation	(0.40)	(0.34%)	(0.63)	(0.39%)	0.23	(36.51%)
Loss for the year attributable to Non-controlling interest	(2.07)	(1.76%)	(1.32)	(0.82%)	(0.75)	56.82%
Profit(Loss) attributable to Equity holders of the parent	(17.43)	(14.85%)	(0.72)	(0.45%)	(16.72)	2,334.78%

Revenue from Sale

For the first Quarter 2023, The Company had the Revenue from Sale of THB 117.41 Million which was decrease by THB 43.41 Million or 26.99% compared with the same period of 2022 because the company have changed the customer base for diversified the market risk.

Gross Profit and Gross Profit Margin

For the first Quarter 2023, the Company had gross profit by THB 35.18 Million that was decrease by THB 14.42 Million or 29.07%, which corresponds to decreases of revenue from sale and Gross Profit Margin was decrease from the same period of 2022 because the company has changed the customer base for diversified the market risk.

Selling and distribution expenses

For the first Quarter 2023, the Company had selling and distribution expenses by THB 11.69 Million that was increased by THB 6.71 Million or 134.74% which mainly came from the media to advertise and promote the company's products.

Administrative Expenses

For the first Quarter 2023, the Company had administrative expenses by THB 41.51 Million which increased by THB 3.41 Million or 8.95% 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(Loss)

For the first Quarter 2023, the Company had the operating profit(loss) by THB (18.02) Million which decreased by THB 24.54 Million or 376.38% compared with the same period of 2022 due to the decrease of revenue from sale and gross profit margin as well as increase of the administrative expenses.

Profit(Loss) for the period from continued operation

The Company had profit(loss) from continued operation amount of THB (15.52) Million, which was decrease 461.50% due to the decrease of the operating profit(loss) as well as increase of the expenses.

Loss for the period from discontinued operation

For the first Quarter 2023, the Company had loss from discontinued operation by THB 3.98 Million, which decreased compared with the same period of 2022 by THB 6.33 Million due to the two subsidiaries business discontinued operation. In the event of a subsidiary is unable to sustain in the financial conditions. It still does not result in the bank calling for all loan due to the subsidiary still pays the installments on a regular basis. However, if the bank recalls the loan. The subsidiaries still have sufficient cash flows for debt repayment in full. The progress of follow-up on loans to the two subsidiaries business discontinued operation as follows:

- Ultima Life Company Limited has outstanding loans of THB 1 Million, which has considered write off bad debts. At present, Ultima Life Company Limited is subject to bankruptcy court order.

- PCCA Laboratory Company Limited has outstanding loans of THB 277 Million, which has considered partial an allowance for doubtful accounts. The company will recall the loan when PCCA Laboratory Co., Ltd is able to dispose of the fixed assets shown in the financial statements.

The profit(loss) attributable to equity holders of the parent company

The Company has the profit(loss) attributable to equity holders of the parent company by THB (17.43) Million, while it had the profit by THB (0.72) Million for the year of 2022 which was increased THB 16.72 Million or 2,334.78%, which mainly came from the increase of profit(loss) from continued operation.

The Statement of Financial position as at March 31, 2023 is as following;

Unit : Million THB

	As at 31 March 2023		As at 31 December 2022		Change	
Cash and cash equivalents	44.93	3.21%	30.27	2.34%	14.66	48.43%
Trade and other receivables	62.65	4.47%	57.29	4.44%	5.36	9.36%
Inventories	142.64	10.18%	98.03	7.59%	44.61	45.51%
Other current assets	30.73	2.19%	11.54	0.89%	19.19	166.29%
Total Current Assets	280.95	20.05%	197.13	15.27%	83.82	42.52%
Restricted bank deposits	16.99	1.21%	16.99	1.32%	-	-
Other non-current financial assets	2.60	0.19%	2.60	0.20%	-	-
Property, plant and equipment	903.22	64.47%	909.08	70.42%	(5.86)	(0.64%)
Unallocated cost from business acquisition	35.88	2.56%	-	0.00%	35.88	100.00%
Rights of use assets	53.18	3.80%	53.92	4.18%	(0.74)	(1.37%)
Other intangible assets	5.29	0.38%	5.57	0.43%	(0.28)	(5.03%)
Deferred tax assets	92.94	6.63%	92.54	7.17%	0.40	0.43%
Advance for purchasing fixed assets	9.33	0.67%	12.59	0.98%	(3.26)	(25.89%)
Other non-current assets	0.57	0.04%	0.50	0.04%	0.07	14.00%
Total Non-Current Assets	1,120.00	79.95%	1,093.79	84.73%	26.21	2.40%
Total Assets	1,400.95	100.00%	1,290.92	100.00%	110.03	8.52%

As of March 31, 2023, the total assets were increase by THB 110.03 Million or 8.52% compared with December 31, 2022 which mainly came from the inventory was increased by THB 44.61 million and the business acquisition cost that unallocated which arises from the investment in a new subsidiary during the period.

Unit : Million THB

	As at 31 March 2023		As at 31 December 2022		Change	
Bank overdrafts and short-term loans from bank	121.83	8.70%	138.70	10.74%	(16.87)	(12.16%)
short-term loan from shareholder	19.00	1.36%	10.00	0.77%	9.00	90.00%
Trade and other payables	234.89	16.77%	110.24	8.54%	124.65	113.07%
Current portion of long-term loans	15.40	1.10%	19.81	1.53%	(4.41)	(22.26%)
Current portion of leases liabilities	3.00	0.21%	2.62	0.20%	0.38	14.50%
Income tax payable	2.70	0.19%	1.66	0.13%	1.04	38.52%
Other current liabilities	23.90	1.71%	21.08	1.63%	2.82	13.38%
Total Current Liabilities	420.72	30.03%	304.11	23.56%	116.61	38.34%
Long-term loans, net of current portion	-	0.00%	2.12	0.16%	(2.12)	(100.00%)
Lease liabilities, net of current portion	55.15	3.94%	55.83	4.32%	(0.68)	(1.22%)
Provision for long-term employee benefits	10.64	0.76%	7.68	0.59%	2.96	38.54%
Deferred tax liabilities	10.29	0.73%	10.68	0.83%	(0.39)	(3.65%)
Other non-current liabilities	16.40	1.17%	16.87	1.31%	(0.47)	-2.79%
Total Non-Current Liabilities	92.48	6.60%	93.18	7.22%	(0.70)	(0.75%)
Total Liabilities	513.20	36.63%	397.29	30.78%	115.91	29.18%
Shareholder's Equity	887.75	63.37%	893.63	69.22%	(5.88)	(0.66%)
Total Liabilities and Shareholder's Equity	1,400.95	100.00%	1,290.92	100.00%	110.03	8.52%

As of March 31, 2023, the total liabilities were increase by THB 115.91 Million or 29.18% compared with December 31, 2022 which mainly came from the trade and other payables was increased by THB 124.65 million due to the payable-share that the company has invested and has not fully paid for the shares, approximately THB 85 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 together with payment ability of the customer. 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 including aim to own brand development.

Please be informed accordingly,

Yours Sincerely,
 DOD Biotech Public Company Limited

(Miss Suvarin Konthong)
 Director