

No. DOD-E094/2566

November 8, 2023

Subject: Management Discussion and Analysis for the third 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 third quarter of 2023 compared with the same period of 2022.

For the operating result of the third quarter ended September 30, 2023 compared with the same period of 2022, the Company had the Revenue from Sale of THB 199.38 Million, which was increase by THB 35.50 Million or 21.66% and operating profit of THB 19.74 Million, which was increase by THB 16.29 Million or 472.17% together with the profit from continued operation THB 17.24 Million or 229.64%. When it was adjusted for other items, as a result the profit attributable to Equity holders of the parent company by THB 10.49 Million, which was increase by THB 10.19 Million, compared with the same period of last year.

For the three-mount period ended 30 September 2023
Unit : Million THB

	Jul - Sep. 2023		Jul - Sep. 2022		Increase/(Decrease)	
Revenues from Sale	199.38	100.00%	163.88	100.00%	35.50	21.66%
Cost of Sales	113.62	56.99%	119.63	73.00%	(6.01)	(5.02%)
Gross Profit	85.76	43.01%	44.25	27.00%	41.51	93.81%
Selling and Distribution Expenses	27.76	13.92%	4.06	2.48%	23.70	583.74%
Administrative Expenses	38.26	19.19%	36.74	22.42%	1.52	4.14%
Operating Profit	19.74	9.90%	3.45	2.11%	16.29	472.17%
Other Revenues	8.40	4.21%	4.88	2.98%	3.52	72.13%
Finance Income	0.03	0.02%	0.02	0.01%	0.01	50.00%
Finance Cost	1.98	0.99%	1.84	1.12%	0.14	7.61%
Other expenses	0.02	0.01%	(0.70)	(0.43%)	0.72	102.86%
Profit before income tax expenses	26.17	13.13%	7.21	4.40%	18.96	262.97%
Income tax expenses	(8.93)	(4.48%)	(1.98)	(1.21%)	6.95	351.01%
Profit for the period from continued operation	17.24	8.65%	5.23	3.19%	12.01	229.64%
Loss for the period from discontinued	(4.75)	(2.38%)	(3.89)	(2.37%)	0.86	22.11%
Profit for the period	12.49	6.26%	1.34	0.82%	11.15	832.09%
Non-controlling interests of the subsidiaries						
Profit for the period from continued operation	2.47	1.24%	0.92	0.56%	1.55	168.48%
Profit (loss) for the period from discontinued operation	(0.47)	(0.24%)	0.12	0.07%	(0.59)	(491.67%)
Loss for the period attributable to Non-controlling interest	2.00	1.00%	1.04	0.63%	0.96	92.31%
Profit attributable to Equity holders of the parent company	10.49	5.26%	0.30	0.18%	10.19	3,396.67%

Revenue from Sale

For the third Quarter 2023, The Company had the Revenue from Sale of THB 199.38 Million which was increase by THB 35.50 Million or 21.66% 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 third Quarter 2023, the Company had gross profit by THB 85.76 Million that was increase by THB 41.51 Million or 93.81%, which corresponds to increases of revenue from sale and Gross Profit Margin was increase from 27% to 43% compared with the same period of last year due to owned brands sales.

Selling and distribution expenses

For the third Quarter 2023, the Company had selling and distribution expenses by THB 27.76 Million that was increased by THB 23.70 Million or 583.74% which mainly came from the media to advertise and promote the owned brands associated with increase of both sales and gross profit margin.

Administrative Expenses

For the third Quarter 2023, the Company had administrative expenses by THB 38.26 Million which increased by THB 1.52 Million or 4.14% 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 2023, the Company had the operating profit by THB 19.74 Million which increased by THB 16.29 Million or 472.17% compared with the same period of 2022 due to the increase of revenue from sale and gross profit margin

Profit for the period from continued operation

The Company had profit from continued operation amount of THB 17.24 Million, which was increase 229.64% due to the increase of operating profit.

Loss for the period from discontinued operation

For the third Quarter 2023, the Company had loss from discontinued operation by THB 4.75 Million, which increased compared with the same period of 2022 by THB 3.89 Million due to the two subsidiaries business discontinued operation. 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 attributable to equity holders of the parent company

The Company has the profit attributable to equity holders of the parent company by THB 10.49 Million, while in the same period of last year has the profit attributable to equity holders of the parent company by THB 0.30 Million, which was increased THB 10.19 Million or 3,396.67%, which mainly came from the increase of profit from continued operation.

The Statement of Financial position as at September 30, 2023 is as following;

	As at 30 September 2023		As at 31 December 2022		Change	
Cash and cash equivalents	36.66	2.54%	30.27	2.34%	6.39	21.11%
Trade and other receivables	122.43	8.49%	57.29	4.44%	65.14	113.70%
Inventories	151.53	10.51%	98.03	7.59%	53.50	54.58%
Other current assets	41.66	2.89%	11.54	0.89%	30.12	261.01%
Total Current Assets	352.28	24.43%	197.13	15.27%	155.15	78.70%
Restricted bank deposits	17.05	1.18%	16.99	1.32%	0.06	0.35%
Other non-current financial assets	2.60	0.18%	2.60	0.20%	-	-
Property, plant and equipment	875.50	60.70%	909.08	70.42%	(33.58)	(3.69%)
Unallocated cost from business acquisition	37.13	2.57%	-	0.00%	37.13	100.00%
Rights of use assets	51.69	3.58%	53.92	4.18%	(2.23)	(4.14%)
Other intangible assets	4.68	0.32%	5.57	0.43%	(0.89)	(15.98%)
Deferred tax assets	91.54	6.35%	92.54	7.17%	(1.00)	(1.08%)
Advance for purchasing fixed assets	9.23	0.64%	12.59	0.98%	(3.36)	(26.69%)
Other non-current assets	0.59	0.04%	0.50	0.04%	0.09	18.00%
Total Non-Current Assets	1,090.01	75.57%	1,093.79	84.73%	(3.78)	(0.35%)
Total Assets	1,442.29	100.00%	1,290.92	100.00%	151.37	11.73%

As of September 30, 2023, the total assets were increase by THB 151.37 Million or 11.73% compared with December 31, 2022, which mainly came from the trade and other receivables increased by THB 65.14 million to the increase of revenue from sale during the period, the inventory was increased by THB 53.50 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 30 September 2023		As at 31 December 2022		Change	
Bank overdrafts and short-term loans from bank	110.30	7.65%	138.70	10.74%	(28.40)	(20.48%)
short-term loan from shareholder	-	0.00%	10.00	0.77%	(10.00)	(100.00%)
Trade and other payables	129.17	8.96%	110.24	8.54%	18.93	17.17%
Current portion of long-term loans	4.64	0.32%	19.81	1.53%	(15.17)	(76.58%)
Current portion of leases liabilities	2.79	0.19%	2.62	0.20%	0.17	6.49%
Income tax payable	14.44	1.00%	1.66	0.13%	12.78	88.50%
Other current liabilities	22.49	1.56%	21.08	1.63%	1.41	6.69%
Total Current Liabilities	283.83	19.68%	304.11	23.56%	(20.28)	(6.67%)
Long-term loans, net of current portion	-	0.00%	2.12	0.16%	(2.12)	(100.00%)
Lease liabilities, net of current portion	55.18	3.83%	55.83	4.32%	(0.65)	(1.16%)
Provision for long-term employee benefits	10.38	0.72%	7.68	0.59%	2.70	35.16%
Deferred tax liabilities	9.64	0.67%	10.68	0.83%	(1.04)	(9.74%)
Other non-current liabilities	14.90	1.03%	16.87	1.31%	(1.97)	(11.68%)
Total Non-Current Liabilities	90.10	6.25%	93.18	7.22%	(3.08)	(3.31%)
Total Liabilities	373.93	25.93%	397.29	30.78%	(23.36)	(5.88%)
Shareholder's Equity	1,068.36	74.07%	893.63	69.22%	174.73	19.55%
Total Liabilities and Shareholder's Equity	1,442.29	100.00%	1,290.92	100.00%	151.37	11.73%

As of September 30, 2023, the total liabilities were decrease by THB 23.36 Million or 5.88% compared with December 31, 2022, which mainly to the decrease of 28.40 million in repayment of bank overdrafts and short-term loans from banks and shareholder's equity increased by THB 174.73 Million because of capital injection from our shareholders.

In conclusion, the restructure of the company is starting to affect the Company's operating result in both of operating profit and profit attributable equity holders of the parent company had significant growth compared with the same period of last year. Additionally, 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