

No. DOD-E056/2567

May 9, 2024

Subject: Management Discussion and Analysis for the first quarter of 2024

 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 2024 compared with the same period of 2023.

For the operating result of the first Quarter ended March 31, 2024 compared with the same period of 2023, the Company had the Revenue from Sale of THB 170.54 Million, which was increase by THB 53.13 Million or 45.25% and operating loss of THB (11.38) Million, which was decrease by THB 7.26 Million or 38.95% together with the profit (loss) from continued operation THB 1.34 Million, which was increase by THB 17.36 Million or 108.36%. When it was adjusted for other items, as a result the profit (loss) attributable to Equity holders of the parent company by THB 0.25 Million, which was increase by THB 18.18 Million, compared with the same period of last year.

For the three-mount period ended 31 March 2023

Unit : Million THB

	Jan. - Mar. 2024		Jan. - Mar. 2023		Increase/(Decrease)	
Revenues from Sale	170.54	100.00%	117.41	100.00%	53.13	45.25%
Cost of Sales	109.04	63.94%	82.23	70.04%	26.81	32.60%
<b>Gross Profit</b>	<b>6150</b>	<b>36.06%</b>	<b>3518</b>	<b>29.96%</b>	<b>2632</b>	<b>74.82%</b>
Selling and Distribution Expenses	2390	14.01%	1169	9.96%	1221	104.45%
Administrative Expenses	4898	28.72%	4213	35.88%	685	16.26%
<b>Operating Loss</b>	<b>(1138)</b>	<b>(6.67%)</b>	<b>(1864)</b>	<b>(15.88%)</b>	<b>(726)</b>	<b>(38.95%)</b>
Other Revenues	152	0.89%	506	4.31%	(354)	(69.96%)
Finance Income	0.04	0.02%	0.01	0.01%	0.03	300.00%
Finance Cost	1.89	1.11%	2.19	1.87%	(0.30)	(13.70%)
Other expenses	(17.72)	(10.39%)	-	-	17.72	100.00%
<b>Profit (loss) before income tax expenses</b>	<b>6.01</b>	<b>3.52%</b>	<b>(15.76)</b>	<b>(13.42%)</b>	<b>21.77</b>	<b>138.13%</b>
Income tax expenses	(4.67)	(2.74%)	(0.26)	(0.22%)	4.41	(1,696.15%)
<b>Profit(Loss) for the period from continued operation</b>	<b>1.34</b>	<b>0.79%</b>	<b>(16.02)</b>	<b>(13.64%)</b>	<b>17.36</b>	<b>108.36%</b>
Loss for the period from discontinued	(3.59)	(2.11%)	(3.98)	(3.39%)	(0.39)	(9.80%)
<b>Loss for the period</b>	<b>(2.25)</b>	<b>(1.32%)</b>	<b>(20.00)</b>	<b>(17.03%)</b>	<b>17.75</b>	<b>88.75%</b>
<b>Non-controlling interests of the subsidiaries</b>						
Loss for the period from continued operation	(2.14)	(1.25%)	(1.67)	(1.42%)	0.47	28.14%
Loss for the period from discontinued operation	(0.36)	(0.21%)	(0.40)	(0.34%)	(0.04)	10.00%
<b>Loss for the period attributable to Non-controlling interest</b>	<b>(2.50)</b>	<b>(1.47%)</b>	<b>(2.07)</b>	<b>(1.76%)</b>	<b>0.43</b>	<b>20.77%</b>
<b>Profit(Loss) attributable to Equity holders of the parent company</b>	<b>0.25</b>	<b>0.15%</b>	<b>(17.93)</b>	<b>(15.27%)</b>	<b>18.18</b>	<b>101.39%</b>

### **Revenue from Sale**

For the first Quarter 2024, The Company had the Revenue from Sale of THB 170.54 Million which was increase by THB 53.13 Million or 45.25% compared with the same period of 2023 because the company have changed the customer base for diversified the market risk and revenue increased from its subsidiaries which is distributed owned brands.

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

For the first Quarter 2024, the Company had gross profit by THB 61.50 Million that was increase by THB 26.32 Million or 74.82%, which corresponds to increases of revenue from sale and Gross Profit Margin was increase from 29.96% to 36.06% compared with the same period of last year due to owned brands sales.

### **Selling and distribution expenses**

For the first Quarter 2024, the Company had selling and distribution expenses by THB 23.90 Million that was increased by THB 12.21 Million or 104.45% 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 first Quarter 2024, the Company had administrative expenses by THB 48.98 Million which increased by THB 6.85 Million or 16.26% which mainly came from the expenses of its subsidiaries related to increase of sales and during the period, the organization was downsized by reducing the number of employees and pay compensation in accordance with the law.

### **Operating Loss**

For the first Quarter 2024, the Company had the operating loss by THB 11.38 Million which decreased by THB 7.26 Million or 38.95% compared with the same period of 2023, even though revenue increased and gross profit margin increased. However, selling and distribution expenses also increased due to the use of advertising media to promote their own product brands.

### **Other Expenses**

For the first Quarter 2024, the Company had other expenses by THB (17.72) million which increased by THB 17.72 million or 100.00% compared with the same period of 2023 because the company had impairment loss on financial assets for trade accounts receivable that are expected to be uncollectible in 2023, during 2024 the debtors have gradually paid off some of their debts.

### **Profit (Loss) for the period from continued operation**

The Company had profit (loss) from continued operation amount of THB 1.34 Million, which was increase 108.36% due to the decrease of operating loss and the debtor's gradually repaying some debts for trade receivables that were expected to be uncollectible.

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

For the first Quarter 2024, the Company had loss from discontinued operation by THB 3.59 Million, which decreased compared with the same period of 2023 by THB 3.98 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 (loss) attributable to equity holders of the parent company**

The Company has the profit attributable to equity holders of the parent company by THB 0.25 Million, while in the same period of last year has the loss attributable to equity holders of the parent company by THB (17.93) Million, which was increased THB 18.18 Million or 101.39%, which mainly came from the operating performance improvement and the trade receivables that are expected to be uncollectible have gradually paid off some debts.

The Statement of Financial position as at March 31, 2024 is as following;

	As at 31 March 2024		As at 31 December 2023		Change	
Cash and cash equivalents	66.78	4.72%	67.99	4.66%	(1.21)	(1.78%)
Trade and other receivables	100.41	7.09%	111.64	7.66%	(11.23)	(10.06%)
Inventories	144.76	10.23%	150.40	10.32%	(5.64)	(3.75%)
Other current assets	38.57	2.73%	41.92	2.88%	(3.35)	(7.99%)
<b>Total Current Assets</b>	<b>350.52</b>	<b>24.77%</b>	<b>371.95</b>	<b>25.52%</b>	<b>(21.43)</b>	<b>(5.76%)</b>
Restricted bank deposits	17.05	1.20%	17.05	1.17%	-	-
Other non-current financial assets	2.60	0.18%	2.60	0.18%	-	-
Property, plant and equipment	846.74	59.83%	862.42	59.17%	(15.68)	(1.82%)
Rights of use assets	52.48	3.71%	53.41	3.66%	(0.93)	(1.74%)
Goodwill	0.25	0.02%	0.25	0.02%	-	-
Other intangible assets	48.60	3.43%	50.48	3.46%	(1.88)	(3.72%)
Deferred tax assets	88.14	6.23%	90.64	6.22%	(2.50)	(2.76%)
Other non-current assets	8.85	0.63%	8.83	0.61%	0.02	0.23%
<b>Total Non-Current Assets</b>	<b>1,064.71</b>	<b>75.23%</b>	<b>1,085.68</b>	<b>74.48%</b>	<b>(20.97)</b>	<b>(1.93%)</b>
<b>Total Assets</b>	<b>1,415.23</b>	<b>100.00%</b>	<b>1,457.63</b>	<b>100.00%</b>	<b>(42.40)</b>	<b>(2.91%)</b>

As of March 31, 2024, the total assets were decrease by THB 42.40 Million or 2.91% compared with December 31, 2023, which mainly came from the trade and other receivables decreased by THB 11.23 Million due to better management of debtors, and property, plant and equipment that decreased by THB 15.68 million due to depreciation during the period.

Unit : Million THB

	As at 31 March 2024		As at 31 December 2023		Change	
Bank overdrafts and short-term loans from banks	99.87	7.06%	110.49	7.58%	(10.62)	(9.61%)
Trade and other payables	97.74	6.91%	116.51	7.99%	(18.77)	(16.11%)
Current portion of long-term loans	-	0.00%	2.12	0.15%	(2.12)	(100.00%)
Current portion of leases liabilities	2.79	0.20%	2.79	0.19%	-	-
Income tax payable	23.61	1.67%	21.18	1.45%	2.43	10.29%
Other current liabilities	30.51	2.16%	29.70	2.04%	0.81	2.73%
<b>Total Current Liabilities</b>	<b>254.52</b>	<b>17.98%</b>	<b>282.79</b>	<b>19.40%</b>	<b>(28.27)</b>	<b>(10.00%)</b>
Lease liabilities, net of current portion	52.58	3.72%	53.28	3.66%	(0.70)	(1.31%)
Provision for long-term employee benefits	11.61	0.82%	10.72	0.74%	0.89	8.30%
Deferred tax liabilities	17.76	1.25%	18.49	1.27%	(0.73)	(3.95%)
Other non-current liabilities	6.28	0.44%	12.29	0.84%	(6.01)	(48.90%)
<b>Total Non-Current Liabilities</b>	<b>88.23</b>	<b>6.23%</b>	<b>94.78</b>	<b>6.50%</b>	<b>(6.55)</b>	<b>(6.91%)</b>
<b>Total Liabilities</b>	<b>342.75</b>	<b>24.22%</b>	<b>377.57</b>	<b>25.90%</b>	<b>(34.82)</b>	<b>(9.22%)</b>
<b>Shareholder's Equity</b>	<b>1,072.48</b>	<b>75.78%</b>	<b>1,080.06</b>	<b>74.10%</b>	<b>(7.58)</b>	<b>(0.70%)</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>1,415.23</b>	<b>100.00%</b>	<b>1,457.63</b>	<b>100.00%</b>	<b>(42.40)</b>	<b>(2.91%)</b>

As of March 31, 2024, the total liabilities were decrease by THB 34.82 Million or 9.22% compared with December 31, 2023, which mainly to repayment of bank overdrafts and short-term loans from banks amount of THB 10.62 Million and payment of trade and other payables amount of THB 18.77 Million.

In conclusion, the restructure of the company and financial structure by raised equity fund is starting to turnaround the Company's operating result in both of the decrease of operating loss and starting to make profit attributable equity holders of the parent company. Additionally, The Company has strategies to increase the potential of the group of companies by investing in the subsidiaries aim to distribute owned brands.

Please be informed accordingly,

Yours Sincerely,  
 DOD Biotech Public Company Limited

(Miss Suvarin Konthong)  
 Director