

No. DOD-E021/2567

February 22, 2024

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

For the operating result of the year ended December 31, 2023 compared with the same period of 2022, the Company had the Revenue from Sale of THB 678.15 Million, which was increase by THB 140.99 Million or 26.25% and operating profit (loss) of THB 14.91 Million, which was increase by THB 37.47 Million or 166.09% together with the profit (loss) from continued operation THB 20.82 Million, which was increase by THB 365.94 Million or 106.03%. When it was adjusted for other items, as a result the profit (loss) attributable to Equity holders of the parent company by THB 7.18 Million, which was increase by THB 405.52 Million, compared with the same period of last year.

**For the year ended 31 December 2023**
**Unit : Million THB**

	2023		2022		Increase/(Decrease)	
Revenues from Sale	678.15	100.00%	537.16	100.00%	140.99	26.25%
Cost of Sales	415.21	61.23%	396.66	73.84%	18.55	4.68%
<b>Gross Profit</b>	<b>262.94</b>	<b>38.77%</b>	<b>140.50</b>	<b>26.16%</b>	<b>122.44</b>	<b>87.15%</b>
Selling and Distribution Expenses	84.07	12.40%	16.86	3.14%	67.21	398.64%
Administrative Expenses	163.96	24.18%	146.20	27.22%	17.76	12.15%
<b>Operating Profit(Loss)</b>	<b>14.91</b>	<b>2.20%</b>	<b>(22.56)</b>	<b>(4.20%)</b>	<b>37.47</b>	<b>166.09%</b>
Other Revenues	31.94	4.71%	11.17	2.08%	20.77	185.94%
Finance Income	0.26	0.04%	0.11	0.02%	0.15	136.36%
Finance Cost	8.27	1.22%	7.09	1.32%	1.18	16.64%
Other expenses	(10.04)	(1.48%)	405.86	75.56%	(415.90)	(102.47%)
<b>Profit (loss) before income tax expenses</b>	<b>48.88</b>	<b>7.21%</b>	<b>(424.23)</b>	<b>(78.98%)</b>	<b>473.11</b>	<b>111.52%</b>
Income tax income (expenses)	(28.06)	(4.14%)	79.11	14.73%	107.17	135.47%
<b>Profit(Loss) for the year from continued operation</b>	<b>20.82</b>	<b>3.07%</b>	<b>(345.12)</b>	<b>(64.25%)</b>	<b>365.94</b>	<b>106.03%</b>
Loss for the period from discontinued	(14.45)	(2.13%)	(60.03)	(11.18%)	(45.58)	(75.93%)
<b>Profit(Loss) for the year</b>	<b>6.37</b>	<b>0.94%</b>	<b>(405.15)</b>	<b>(75.42%)</b>	<b>411.52</b>	<b>101.57%</b>
Non-controlling interests of the subsidiaries						
Profit(Loss) for the year from continued operation	0.63	0.09%	(2.15)	(0.40%)	2.78	129.30%
Loss for the year from discontinued operation	(1.44)	(0.21%)	(4.66)	(0.87%)	(3.22)	69.10%
<b>Profit(Loss) for the year attributable to Non-controlling interest</b>	<b>(0.81)</b>	<b>(0.12%)</b>	<b>(6.81)</b>	<b>(1.27%)</b>	<b>6.00</b>	<b>88.11%</b>
<b>Profit(Loss) attributable to Equity holders of the parent company</b>	<b>7.18</b>	<b>1.06%</b>	<b>(398.34)</b>	<b>(74.16%)</b>	<b>405.52</b>	<b>101.80%</b>

**Revenue from Sale**

For the year of 2023, The Company had the Revenue from Sale of THB 678.15 Million which was increase by THB 140.99 Million or 26.25% compared with the same period of 2022 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 year of 2023, the Company had gross profit by THB 262.94 Million that was increase by THB 122.44 Million or 87.15%, which corresponds to increases of revenue from sale and Gross Profit Margin was increase from 26.16% to 38.77% compared with the same period of last year due to owned brands sales.

**Selling and distribution expenses**

For the year of 2023, the Company had selling and distribution expenses by THB 84.07 Million that was increased by THB 67.21 Million or 398.64% 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 year of 2023, the Company had administrative expenses by THB 163.96 Million which increased by THB 17.76 Million or 12.15% which mainly came from the expenses of its subsidiaries related to increase of sales.

**Operating Profit (Loss)**

For the year of 2023, the Company had the operating profit(loss) by THB 14.91 Million which increased by THB 37.47 Million or 166.09% compared with the same period of 2022 due to the increase of revenue from sale and gross profit margin

**Other Expenses**

For the year of 2023, the Company had other expenses by THB (10.04) million which decreased by THB (415.90) million or 102.47% compared with the same period of 2022 because the company had impairment loss on financial assets for trade accounts receivable that are expected to be uncollectible in 2022, during 2023 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 20.82 Million, which was increase 106.03% due to the increase of operating profit and decrease of other expenses

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

For the year of 2023, the Company had loss from discontinued operation by THB 14.45 Million, which decreased compared with the same period of 2022 by THB 60.03 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 7.18 Million, while in the same period of last year has the loss attributable to equity holders of the parent company by THB (398.34) Million, which was increased THB 405.52 Million or 101.80%, which mainly came from the operating performance improvement and had not impairment loss on financial assets.

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

	As at 31 December 2023		As at 31 December 2022		Change	
Cash and cash equivalents	67.99	4.66%	30.27	2.34%	37.72	124.61%
Trade and other receivables	111.64	7.66%	57.29	4.44%	54.35	94.87%
Inventories	150.40	10.32%	98.03	7.59%	52.37	53.42%
Other current assets	41.92	2.88%	11.54	0.89%	30.38	263.26%
<b>Total Current Assets</b>	<b>371.95</b>	<b>25.52%</b>	<b>197.13</b>	<b>15.27%</b>	<b>174.82</b>	<b>88.68%</b>
Restricted bank deposits	17.05	1.17%	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	862.42	59.17%	909.08	70.42%	(46.66)	(5.13%)
Rights of use assets	53.41	3.66%	53.92	4.18%	(0.51)	(0.95%)
Goodwill	0.25	0.02%	-	0.00%	0.25	-
Other intangible assets	50.48	3.46%	5.57	0.43%	44.91	806.28%
Deferred tax assets	90.64	6.22%	92.54	7.17%	(1.90)	(2.05%)
Advance for purchasing fixed assets	8.24	0.57%	12.59	0.98%	(4.35)	(34.55%)
Other non-current assets	0.59	0.04%	0.50	0.04%	0.09	18.00%
<b>Total Non-Current Assets</b>	<b>1,085.68</b>	<b>74.48%</b>	<b>1,093.79</b>	<b>84.73%</b>	<b>(8.11)</b>	<b>(0.74%)</b>
<b>Total Assets</b>	<b>1,457.63</b>	<b>100.00%</b>	<b>1,290.92</b>	<b>100.00%</b>	<b>166.71</b>	<b>12.91%</b>

As of December 31, 2023, the total assets were increase by THB 166.71 Million or 12.91% compared with December 31, 2022, which mainly came from cash THB 37.72 Million ,the trade and other receivables increased by THB 54.35 million due to the increase of revenue from sale during the period, the inventory was increased by THB 52.37 million, and other intangible assets was increased by THB 44.91 million because of the business acquisition cost that unallocated which arises from the investment in a new subsidiary during the period.

Unit : Million THB

	As at 31 December 2023		As at 31 December 2022		Change	
Bank overdrafts and short-term loans from bank	110.49	7.58%	138.70	10.74%	(28.21)	(20.34%)
short-term loan from shareholder	-	0.00%	10.00	0.77%	(10.00)	(100.00%)
Trade and other payables	116.51	7.99%	110.24	8.54%	6.27	5.69%
Current portion of long-term loans	2.12	0.15%	19.81	1.53%	(17.69)	(89.30%)
Current portion of leases liabilities	2.79	0.19%	2.62	0.20%	0.17	6.49%
Income tax payable	21.18	1.45%	1.66	0.13%	19.52	92.16%
Other current liabilities	29.70	2.04%	21.08	1.63%	8.62	40.89%
<b>Total Current Liabilities</b>	<b>282.79</b>	<b>19.40%</b>	<b>304.11</b>	<b>23.56%</b>	<b>(21.32)</b>	<b>(7.01%)</b>
Long-term loans, net of current portion	-	0.00%	2.12	0.16%	(2.12)	(100.00%)
Lease liabilities, net of current portion	53.28	3.66%	55.83	4.32%	(2.55)	(4.57%)
Provision for long-term employee benefits	10.72	0.74%	7.68	0.59%	3.04	39.58%
Deferred tax liabilities	18.49	1.27%	10.68	0.83%	7.81	73.13%
Other non-current liabilities	12.29	0.84%	16.87	1.31%	(4.58)	(27.15%)
<b>Total Non-Current Liabilities</b>	<b>94.78</b>	<b>6.50%</b>	<b>93.18</b>	<b>7.22%</b>	<b>1.60</b>	<b>1.72%</b>
<b>Total Liabilities</b>	<b>377.57</b>	<b>25.90%</b>	<b>397.29</b>	<b>30.78%</b>	<b>(19.72)</b>	<b>(4.96%)</b>
<b>Shareholder's Equity</b>	<b>1,080.06</b>	<b>74.10%</b>	<b>893.63</b>	<b>69.22%</b>	<b>186.43</b>	<b>20.86%</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>1,457.63</b>	<b>100.00%</b>	<b>1,290.92</b>	<b>100.00%</b>	<b>166.71</b>	<b>12.91%</b>

As of December 31, 2023, the total liabilities were decrease by THB 19.72 Million or 4.96% compared with December 31, 2022, which mainly to the decrease of 28.21 million in repayment of bank overdrafts and short-term loans from banks and shareholder's equity increased by THB 186.43 Million or 20.86% because of capital injection from our shareholders.

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 operating profit and 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