

No. DOD-E023/2568

February 19, 2025

Subject: Management Discussion and Analysis for the year 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 year of 2024 compared with the same period of 2023.

For the operating result of the year ended December 31, 2024 compared with the same period of 2023, the Company had the Revenue from Sale of THB 645.38 Million, which was decrease by THB 18.23 Million or 2.75% and operating profit (loss) of THB (2.19) Million, which was decrease by THB 60.93 Million or 103.73% together with the profit from continued operation THB 27.17 Million, which was decrease by THB 37.34 Million or 57.88%. When it was adjusted for other items, as a result the profit (loss) attributable to Equity holders of the parent company by THB (159.34) Million, which was increase by THB 166.52 Million, compared with the same period of last year.

For the year ended 31 December 2024

Unit : Million THB

	2024		2023		Increase/(Decrease)	
Revenues from Sale	645.38	100.00%	663.61	100.00%	(18.23)	(2.75%)
Cost of Sales	438.57	67.96%	406.36	61.23%	32.21	7.93%
Gross Profit	206.81	32.04%	257.25	38.77%	(50.44)	(19.61%)
Selling and Distribution Expenses	90.65	14.05%	83.68	12.61%	6.97	8.33%
Administrative Expenses	118.35	18.34%	114.83	17.30%	3.52	3.07%
Operating Profit(Loss)	(2.19)	(0.34%)	58.74	8.85%	60.93	103.73%
Other Revenues	16.65	2.58%	29.09	4.38%	(12.44)	(42.76%)
Finance Income	0.73	0.11%	0.25	0.04%	0.48	192.00%
Finance Cost	3.73	0.58%	5.31	0.80%	(1.58)	(29.76%)
Other expenses	(29.03)	(4.50%)	(10.04)	(1.51%)	18.99	189.14%
Profit before income tax expenses	40.49	6.27%	92.81	13.99%	(52.32)	(56.37%)
Income tax expenses	(13.32)	(2.06%)	(28.30)	(4.26%)	14.98	(52.93%)
Profit for the year from continued operation	27.17	4.21%	64.51	9.72%	(37.34)	(57.88%)
Loss for the period from discontinued	(218.28)	(33.82%)	(58.14)	(8.76%)	160.14	275.44%
Profit(Loss) for the year	(191.11)	(29.61%)	6.37	0.96%	197.48	3,100.16%
Non-controlling interests of the subsidiaries						
Profit(Loss) for the year from continued operation	(4.48)	(0.69%)	6.38	0.96%	10.86	170.22%
Loss for the year from discontinued operation	(27.29)	(4.23%)	(7.20)	(1.08%)	20.09	279.03%
Profit(Loss) for the year attributable to Non-controlling interest	(31.77)	(4.92%)	(0.82)	(0.12%)	30.95	3,774.39%
Profit(Loss) attributable to Equity holders of the parent company	(159.34)	(24.69%)	7.19	1.08%	166.53	2,316.13%

Revenue from Sale

For the year of 2024, The Company had the Revenue from Sale of THB 645.38 Million which was decrease by THB 18.23 Million or 2.75% compared with the same period of 2023 because the company have changed the customer base for diversified the market risk.

Cost of sales

For the year of 2024, The Company had the Cost of sales by THB 438.57 Million which was increase by THB 32.21 Million or 7.93% compared with the same period of 2023 due to the company recorded a reduction of inventory cost to net realisable value for poor quality raw materials and packaging in the amount of THB 30.56 million.

Gross Profit and Gross Profit Margin

For the year of 2024, the Company had gross profit by THB 206.81 Million that was decrease by THB 50.44 Million or 19.61%, which corresponds to decreases of revenue from sale and increased cost of sales due to the company recorded a reduction of inventory cost to net realisable value for poor quality raw materials and packaging in the amount of THB 30.56 million. If this item is adjusted to reflect the normalized gross margin, the gross profit margin will be 36.78%, lower than the same period of the previous year, which had a gross profit margin of 38.77%.

Selling and distribution expenses

For the year of 2024, the Company had selling and distribution expenses by THB 90.65 Million that was increased by THB 6.97 Million or 8.33% which mainly came from the media to advertise and promote the owned brands.

Administrative Expenses

For the year of 2024, the Company had administrative expenses by THB 118.35 Million which increased by THB 3.52 Million or 3.07% which mainly came from the expenses of its subsidiaries.

Operating Profit (Loss)

For the year of 2024, the Company had the operating profit (loss) by THB (2.19) Million which increased by THB 60.93 Million or 103.73% compared with the same period of 2023, due to decreased of revenue from sale and increased cost of sales due to the company recorded a reduction of inventory cost to net realisable value for poor quality raw materials and packaging in the amount of THB 30.56 Million. However, if this item is adjusted to reflect the actual operating results, the operating loss will be changed to a normalized operating profit of THB 28.37 Million.

Other Expenses

For the year of 2024, the Company had other expenses by THB (29.03) million which increased by THB 18.99 million or 189.14% compared with the same period of 2023 because during 2024 the company reversed the loss reserves from impairment of financial assets due to the debtor has gradually paid off some debts.

Profit (Loss) for the period from continued operation

The Company had profit (loss) from continued operation amount of THB 27.17 Million, which was decrease by THB 37.34 million or 57.88% due to the provision for remaining inventory that has resolved to cease operations If these item are adjusted out because they are one-time expenses, the Company will have a normalized profit (loss) for the period from continued operating amount of THB 57.73 Million.

Loss for the year from discontinued operation

For the year of 2024, the Company had loss from discontinued operation by THB 218.28 Million, which increased compared with the same period of 2023 by THB 58.14 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 162 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.

In the third Quarter 2024, the company passed a resolution to approve ceasing operations, which has expected credit losses of THB 8 Million, a reduction of inventory cost to net realisable value of THB 17 Million, as well as impairment losses of plant and equipment, intangible assets and advance payment for assets of THB 149 Million and selling investments in Siam Herbal Tech Company Limited, resulting in a loss of THB 10.47 Million.

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 (159.34) Million, while in the same period of last year has the loss attributable to equity holders of the parent company by THB 7.19 Million, which was increased THB 166.53 Million or 2,316.13%, which mainly came from the provision for remaining inventory and the provision of a subsidiary company that has resolved to cease operations.

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

Unit : Million THB						
	As at 31 December 2024		As at 31 December 2023		Change	
Cash and cash equivalents	223.09	17.34%	67.99	4.66%	155.10	228.12%
Trade and other receivables	42.20	3.28%	111.64	7.66%	(69.44)	(62.20%)
Inventories	126.88	9.86%	150.40	10.32%	(23.52)	(15.64%)
Other current assets	57.69	4.48%	41.92	2.88%	15.77	37.62%
Assets held for sale	166.69	12.96%	-	0.00%	166.69	100.00%
Total Current Assets	616.55	47.93%	371.95	25.52%	244.60	65.76%
Restricted bank deposits	16.43	1.28%	17.05	1.17%	(0.62)	(3.64%)
Other non-current financial assets	2.60	0.20%	2.60	0.18%	-	-
Property, plant and equipment	509.41	39.60%	862.06	59.14%	(352.65)	(40.91%)
Rights of use assets	1.92	0.15%	53.78	3.69%	(51.86)	(96.43%)
Goodwill	0.25	0.02%	0.25	0.02%	-	-
Other intangible assets	43.06	3.35%	50.48	3.46%	(7.42)	(14.70%)
Deferred tax assets	95.50	7.42%	90.64	6.22%	4.86	5.36%
Other non-current assets	0.59	0.05%	8.83	0.61%	(8.24)	(93.32%)
Total Non-Current Assets	669.76	52.07%	1,085.69	74.48%	(415.93)	(38.31%)
Total Assets	1,286.31	100.00%	1,457.64	100.00%	(171.33)	(11.75%)

As of December 31, 2024, the total assets were decrease by THB 171.33 Million or 11.75% compared with December 31, 2023, consisted of cash and cash equivalents increased by THB 155.10 Million, an increase from receiving deposits from sales and some land, buildings and equipment during the period, trade and other receivables decreased by THB 69.44 Million due to better management of debtors, assets held for sale increased by THB 166.69 Million came from a subsidiary company entered into an agreement to purchase and sell assets and received a partial deposit during the period. Property, plant and equipment decreased by THB 352.65 Million due to the periodic depreciation and sold investments in Siam Herbal Tech Company Limited during the period as well as another part is classified as assets held for sale, in amount of THB 166.69 Million, and rights of use assets decreased by THB 51.86 Million due to the sale of investment in Siam Herbal Tech Co., Ltd. during the period.

Unit : Million THB

	As at 31 December 2024		As at 31 December 2023		Change	
Bank overdrafts and short-term loans from bank	45.00	350%	110.49	758%	(65.49)	(59.27%)
Trade and other payables	70.92	5.51%	116.51	7.99%	(45.59)	(39.13%)
Advance received for goods	19.83	1.54%	27.23	1.87%	(7.40)	(27.18%)
Deposit from sales of land, plant and equipment	215.00	16.71%	-	0.00%	215.00	100.00%
Current portion of long-term loans	-	0.00%	2.12	0.15%	(2.12)	(100.00%)
Current portion of leases liabilities	0.77	0.06%	2.80	0.19%	(2.03)	(72.50%)
Income tax payable	1.72	0.13%	21.18	1.45%	(19.46)	(1,131.40%)
Other current liabilities	1.05	0.08%	2.47	0.17%	(1.42)	(57.49%)
Liabilities directly associated with the assets held for sale	11.68	0.91%	-	0.00%	11.68	100.00%
Total Current Liabilities	365.97	28.45%	282.80	19.40%	83.17	29.41%
Lease liabilities, net of current portion	0.29	0.02%	53.28	3.66%	(52.99)	(99.46%)
Provision for long-term employee benefits	10.59	0.82%	10.72	0.74%	(0.13)	(1.21%)
Deferred tax liabilities	10.94	0.85%	18.49	1.27%	(7.55)	(40.83%)
Other non-current liabilities	6.60	0.51%	12.29	0.84%	(5.69)	(46.30%)
Total Non-Current Liabilities	28.42	2.21%	94.78	6.50%	(66.36)	(70.01%)
Total Liabilities	394.39	30.66%	377.58	25.90%	16.81	4.45%
Shareholder's Equity	891.92	69.34%	1,080.06	74.10%	(188.14)	(17.42%)
Total Liabilities and Shareholder's Equity	1,286.31	100.00%	1,457.64	100.00%	(171.33)	(11.75%)

As of December 31, 2024, the total liabilities and shareholder's equity were decrease by THB 171.33 Million or 11.75% compared with December 31, 2023, which mainly to repayment of bank overdrafts and short-term loans from banks amount of THB 65.49 Million, trade accounts payable and other payables decreased by THB 45.59 Million from the payment of debts due, deposits received from the sale of land, buildings and equipment increased by THB 215 Million because a subsidiary entered into an agreement to purchase and sell assets and received some deposits during the period, payment of corporate income tax amount of THB 19.46 Million, and Lease liabilities decreased by THB 52.99 Million due to the sale of investment in Siam Herbal Tech Co., Ltd. during the period.

In conclusion, with the continuous restructuring of the business by terminating the operations of subsidiaries that have consistently incurred losses, the company has begun to have normalized operating profit and profit for the period from continued including has proceeded with the sale of assets of discontinued subsidiaries in order to increase liquidity for investment in improving production efficiency, leading to sustain competitive advantage.

Please be informed accordingly,

Yours Sincerely,
DOD Biotech Public Company Limited

(Miss Suvarin Konthong)
Director