



DOD BIOTECH PUBLIC COMPANY LIMITED

เลขที่ 111 หมู่ที่ 2 ตำบลท่าจีน อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000

111 Moo 2 TambonThachin, Amphurmuangsamutsakhon, Samutsakhon 74000

No. DOD107/2564

August 10, 2021

Subject: Management's Discussion and Analysis for the second quarter of 2021

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 second quarter of 2021 compared with the same period of 2020.

For the operating result of the second Quarter ended June 30, 2021 compared with the same period of 2020, the Company had the Revenue from Sale of THB 247.91 Million which was increased by THB 22.42 Million or 9.94% compared with the same period of 2020 and operating profit of THB 73.08 Million which was increased by THB 17.98 Million or 32.63% compared with the same period of 2020

When adjusted for other items, especially the provision of the subsidiary's business discontinued operation due to economic impact. As a result, the net loss for the year attributable to Owners of the parent by THB 57.83 Million, which was decreased by 176.35%, compared with the same period of last year that the net profit for the year attributable to Owners of the parent. The income statement in brief is presented as following:



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For the three-month period ended 30 June 2021

Unit : Million THB

	Apr.-Jun. 2021		Apr.-Jun. 2020		Increase/(Decrease)	
Revenues from Sale	247.91	100.00%	225.49	100.00%	22.42	9.94%
Cost of Sales	144.98	58.48%	143.67	63.71%	1.31	0.91%
Gross Profit	102.93	41.52%	81.82	36.29%	21.11	25.80%
Selling Expenses	5.40	2.18%	4.29	1.90%	1.11	25.87%
Administrative Expenses	24.45	9.86%	22.43	9.95%	2.02	9.01%
Operating Profit (Loss)	73.08	29.48%	55.10	24.44%	17.98	32.63%
Other Revenues	0.22	0.09%	0.82	0.36%	(0.60)	(73.17%)
Finance Revenues	0.14	0.06%	0.06	0.03%	0.08	129.51%
Finance Cost	1.94	0.78%	1.00	0.44%	0.94	94.00%
Other expenses	58.57	23.63%	(8.12)	(3.60%)	66.69	(821.31%)
Earning before tax	12.93	5.22%	63.10	27.98%	(50.17)	(79.51%)
Income tax income (expenses)	(1.87)	(0.75%)	2.23	0.99%	(4.10)	(183.86%)
Profit for the period from continued operation	14.80	5.97%	60.87	26.99%	(46.07)	(75.69%)
Profit (loss) for the period from discontinued	(86.91)	(35.06%)	15.37	6.82%	(102.28)	(665.45%)
Profit (loss) for the period	(72.11)	(29.09%)	76.24	33.81%	(148.35)	(194.58%)
Profit for the year attributable to Non-controlling interest	(14.28)	(5.76%)	0.50	0.22%	(14.78)	(2,956.00%)
Profit for the year attributable to Owners of the	(57.83)	(23.33%)	75.74	33.59%	(133.57)	(176.35%)

Revenue from Sale

For the second Quarter 2021, The Company had the Revenue from Sale of THB 247.91 Million which was increased by THB 22.42 Million or 9.94% compared with the same period of last year due the business of food supplements that high potential in terms of product research and development, including the production of quality that meets international standards.

For cosmetic and network marketing business discontinued operation due to the COVID -19 situation

Gross Profit and Gross Profit Margin

For the second Quarter 2021, the Company had gross profit by THB 102.93 Million that was increased by THB 21.11 Million or 25.80% and Gross Profit Margin was 41.52%, which was increased when compared with the same period of 2020 by THB 36.29% due to the Company has an efficient manage and control production.



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Selling and distribution expenses

For the second Quarter 2021, the Company had the selling and distribution expenses by THB 5.40 Million that was increased by THB 1.11 Million or 25.87% compared with the same period of last year, which corresponds to increased revenue.

Administrative Expenses

For the second Quarter 2021, the Company had administrative expenses by THB 24.45 Million which increased by THB 2.02 Million or 9.01% compared with the same period of the last year because the Company has restructuring the organization to support the business growth in the future.

Operating Profit

For the second Quarter 2021, the Company had the operating profit by THB 73.08 Million which increased by THB 17.98 Million or 32.63% compared with the same period of the last year. As a result from the sales growth and effective cost control.

Other expense

The Company has record loss from devaluation of inventories and Impairment loss on fixed assets and advance for purchasing fixed assets because the Company has restructuring the organization.

Profit (loss) for the period from discontinued operation

For the second Quarter 2021, the Company had loss for the period from discontinued operation by THB 86.91 Million due to the two subsidiaries business which consisted of the cosmetic and network marketing business discontinued operation. As a result, record to the allowance for doubtful accounts receivable and other receivables, allowance for impairment on financial assets allowance for reduction of inventory and Impairment loss on fixed assets. However, these items are non-cash expense. Therefore, it does not affect the liquidity of the company.

The profit for the year attributable to Owners of the parent

The Company has the loss for the year attributable to Owners of the parent by THB 57.83 Million, which was decreased 176.35%, compared with the same period of the last year, which mainly came from the discontinued operation of the subsidiaries as mentioned above.



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The Statement of Financial position as of June 30, 2021 is as following;

Unit : Million THB

	As at 30 June 2021		As at 31 December 2020		Change	
Cash and cash equivalents	136.50	8.25%	143.00	8.25%	(6.50)	(4.55%)
Trade Receivables&Other current receivable	286.74	17.33%	280.62	16.19%	6.12	2.18%
Inventories	168.76	10.20%	246.33	14.21%	(77.57)	(31.49%)
Other current assets	1.66	0.10%	3.47	0.20%	(1.81)	(52.16%)
Total Current Assets	593.66	35.87%	673.42	38.85%	(79.76)	(11.84%)
Fixed deposit used as collateral	16.09	0.97%	16.08	0.93%	0.01	0.06%
Investments held as available-for-sale	114.58	6.92%	105.71	6.10%	8.87	8.39%
Property, plant and equipment	834.74	50.44%	863.97	49.84%	(29.23)	(3.38%)
Rights of use assets	58.37	3.53%	11.79	0.68%	46.58	395.08%
Intangible assets	5.85	0.35%	11.44	0.66%	(5.59)	(48.86%)
Deferred tax assets	11.34	0.69%	2.42	0.14%	8.92	368.60%
Other non-current assets	20.30	1.23%	48.65	2.81%	(28.35)	(58.27%)
Total Non-Current Assets	1,061.27	64.13%	1,060.06	61.15%	1.21	0.11%
Total Assets	1,654.93	100.00%	1,733.48	100.00%	(78.55)	(4.53%)

As of June 30, 2021, the total assets were decreased by THB 78.55 Million or 4.53% compared with December 31, 2020 mainly came from the two subsidiaries business discontinued operation and therefore had to record allowance for reduction of inventory and allowance for impairment of fixed assets.



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Unit : Million THB

	As at 30 June 2021		31 December 2020		Change	
Bank overdraft and short-term borrowings from financial institution	83.06	5.02%	130.39	7.52%	(47.33)	(36.30%)
Trade and other current payables	227.33	13.74%	262.14	15.12%	(34.81)	(13.28%)
Current portion of long-term borrowings	34.16	2.06%	39.58	2.28%	(5.42)	(13.69%)
Current portion of Operating Leases Agreement	5.05	0.31%	8.34	0.48%	(3.29)	(39.45%)
Other current liabilities	11.42	0.69%	28.05	1.62%	(16.63)	(59.29%)
Total Current Liabilities	361.02	21.81%	468.50	27.03%	(107.48)	(22.94%)
Long-term borrowings	30.71	1.86%	22.28	1.29%	8.43	37.84%
Liabilities under operating lease agreement	54.24	3.28%	4.56	0.26%	49.68	1089.47%
Employee benefit obligations	4.49	0.27%	5.05	0.29%	(0.56)	(11.09%)
Other non-current liabilities	10.75	0.65%	8.17	0.47%	2.58	31.58%
Total Non-Current Liabilities	100.19	6.05%	40.06	2.31%	60.13	150.10%
Total Liabilities	461.21	27.87%	508.56	29.34%	(47.35)	(9.31%)
Shareholder's Equity	1,193.72	72.13%	1,224.92	70.66%	(31.20)	(2.55%)
Total Liabilities and Shareholder's Equity	1,654.93	100.00%	1,733.48	100.00%	(78.55)	(4.53%)

As of June 30, 2021, total liabilities were decreased by THB 47.35 Million or 9.31% compared with December 31, 2020 consisted of the bank overdraft and short-term borrowings from financial institution due to the repayment according to the payment terms, trade payable - raw material based on decreased due to repayment at the end of the period and other current liabilities decreased from payment of income tax for the year.

For the Company's financial position, the Company still had current ratio 1.64 times and debt to equity ratio 0.39 times, shown that its sufficient liquidity and strong financial position.

In conclusion, although the economic circumstance has slowdown intensified from the COVID-19 outbreak, but the Company's revenue for the second Quarter had growth compared with the same period of the last year and effective control of production cost management, as a result in the growth of operating profit. However, from high-risk and fragile economic conditions. The Company has assessed the risks of business operations in both the short and long term. Therefore, the two subsidiaries business discontinued operation, which consisted of the cosmetic and network marketing business. The implementation of such a significant impact, resulting in the loss for the year attributable to Owners of the parent. Nevertheless, the company foresees that this restructuring of the organization will result in a company with sustainable growth in the future.



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Please be informed accordingly,

Yours Sincerely,

DOD Biotech Public Company Limited

(Miss Suwarin Konthong)

Director