



No. APP\_AF651101

AppliCAD Public Company Limited

11 November 2022

Subject Management Discussion and Analysis of the third quarter ended as of 30 September 2022

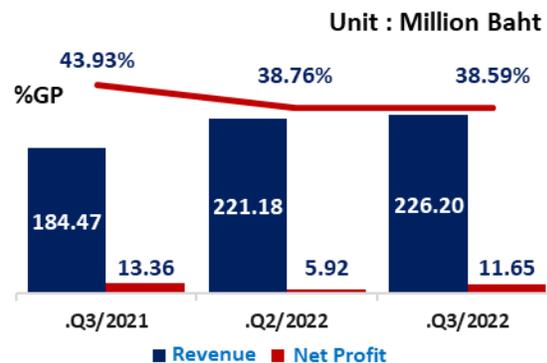
Dear The President

The Stock Exchange of Thailand

AppliCAD Public Company Limited and its subsidiaries ('the Company') would like to clarify the Company's overall operating report with reference to the consolidated financial statement as of 30 September 2022. The Company had net profit in the third quarter of 2022 amounted to 11.65 million baht, decreased by 1.71 million baht compared to the same period of previous year which was 13.36 million baht. The main reason of the decreased net profit was a decreased gross profit caused by the appreciation of the US dollar.

### Overall Operating Report

In the third quarter of 2022, the revenue from sales of goods was 122.27 million baht, increased by 19.45% or 19.91 million baht. The revenue from services was 103.60 million baht, increased by 28.76% or 23.14 million baht due to the Company reclassified the revenue from an annual subscription of the software license to service revenue to be comply with TRFS 15 amounted to 16.87 million baht or 20.97%.

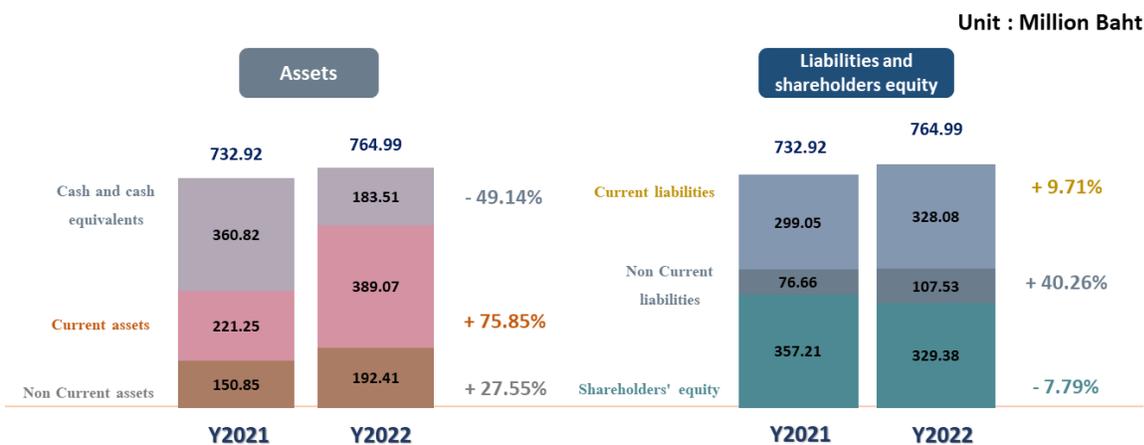


The Company's gross profit was 87.17 million, increased by 6.86 million baht or 8.54%. The increased percentage of gross profit is less than the increased percentage of revenue since our suppliers have raised prices of software and hardware products together with the appreciation of the US dollar. Therefore, the Company's gross profit was decreased from the same quarter last year from 43.93% to 38.59%.

In the third quarter of 2022, the cost of distribution was 45.94 million baht, increased by 6.51% compared to the same quarter last year. The increased cost of distribution mainly came from a depreciation of 3D printer for AppliCAD Innovation Center of 1.12 million baht. The company made more payment of 1.25 million baht to an advisor in relation to sales of 3D printer. Moreover, the Company recognized more allowance for bad debt of 1.12 million baht compared to the same quarter last year because of an overdue receivable made with the Company's main customer.

In the third quarter of 2022, the administration expense was 26.62 million baht, increased by 3.23 or 13.81% compared to the same quarter last year. The increased administration expense was caused by several transactions as follows: (i) Cost of improving and developing employees' competencies and skills of 1.64 million baht or 7.01%, (ii) Effect of the US Dollar appreciation on exchange rates of foreign subsidiaries of 0.84 million baht or 3.59%, and (iii) Write-off intangible assets under development to be research and development expenses of 0.75 million baht or 3.21%.

### Statement of financial position



### Asset

As of 30 September 2022, the Company's overall asset was 764.99 million baht, increased by 32.07 million baht or 4.38%. The main changes are as follows:

The Company had cash and cash equivalents as of 30 September 2022 of 183.51 million baht and it showed that 177.32 million baht or 49.14% were decreased by saving 80.60 million baht to the 12 month-fixed deposit and 60 million baht to the 6 month- fixed deposit. As a result, the financial current assets were increased by 140.60 million baht.

Dividends of 56 million baht was distributed. The trade receivables and other receivables was 87.65 million baht, increased by 3.42 million baht, and consisted of undue receivables of 45.76 million baht or 52.21% of total accounts receivables.

The Company had net property, plant, and equipment as of 30 September 2022 of 113.81 million Baht, increased by 13.02 million baht from a renovation of AppliCAD Innovation Center of 4.31 million baht and an investment in 3D printer of 9.27 million baht.

The Company had right of use assets (ROU) as of 30 September 2022 of 13.30 million baht increased by 9.69 million baht from a rental agreement of AppliCAD Innovation Center, and intangible assets of 20.87 million baht increased by 4.03 million baht which mainly came from ERP system under development of 3 million baht.

### Liabilities

As of 30 September 2022, the Company had total liabilities of 435.61 million baht, increased by 59.90 million baht or 15.94%. The increment of total liabilities was from below reasons.

The current portion of lease was increased by 31.67 million baht or 18.31% to 204.66 million baht. The non-current portion of lease was increased by 25.64 million baht or 82.17% to 56.85 million baht. The allowance for employee benefits was increased by 4.55 million baht or 10.05% to 49.79 million baht.

### Shareholders

As of 30 September 2022, the Company shareholders' equity was 329.38 million baht, decreased by 27.83 million baht which was 43.06% of total assets. Dividend payment was made from the Company's net profit for the year ended 31 December 2021 amounted to 56 million baht. The operating performance of the nine months period ended 30 September 2022 was shown as the net profit of 28.17 million baht.

### Cash Flow Statement

Unit: million baht

	Q3-2022
Net cash flow from (used in) operating activities	56.22
Net cash flows from (used in) investment activities	(173.31)
Net cash flows from (used in) financing activities	(60.05)
Impact of exchange rate on cash and cash equivalents	(0.18)
Net increase (decrease) in cash and cash equivalents	(177.32)
Cash and cash equivalents - Beginning balance	360.83
Cash and cash equivalents - Ending balance	183.51



### Cash Flow

In the third quarter as of 30 September 2022, the Company had a decrease of the net cash flow of 177.32 million baht. The Company had cash and cash equivalents of 360.83 million baht at the beginning of the period and 183.51 million baht at the end of the period. The details of each activity are as below.

The net cash flow from investing activities of 56.22 million baht was generated from an increasing in trade receivables and other receivables of 20.35 million baht, an increasing in other operating receivables of 13.78 million baht, an increasing in trade payables and other payables of 30.98 million baht, an increasing in other operating payables of 17.57 million, depreciation and write-off amount of 18.86 million baht, unrealized gain from exchange rate of 1.51 million baht.

The cash flow used in investing activities of 173.31 million baht, mostly used for investment in saving in the 6 month and 12 month-fixed deposit as 140.60 million baht, purchasing equipment and improvements according to the lease agreement of 27.25 million baht, and intangible assets under development of 5.46 million baht.

The net cash flow used in financing activities of 60.05 million baht, mostly used for dividend payment of 56 million baht, lease payment of 3.56 million baht, and interest expense as 0.49 million baht.

Yours sincerely,

(Miss Thitiporn Chartaisong)  
Chief Financial Officer  
AppliCAD Public Company Limited