

2022



**WHERE  
INNOVATION  
BEGINS.**

**ANNUAL REPORT 2022  
(Form 56-1 One Report)**

AppliCAD Public Company Limited

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## Important Financial Information

Operation Performance (million baht)	2020	2021	2022
Sales revenue	365.43	460.15	466.01
Service revenue	282.56	324.46	409.16
Other revenues	10.13	14.30	13.17
<b>Total revenue</b>	<b>658.12</b>	<b>798.91</b>	<b>888.34</b>
Cost of sales	206.34	288.99	293.98
Cost of Service	131.72	153.88	226.34
Cost of distribution	162.47	173.86	198.95
Cost of administration	100.18	100.31	110.25
<b>Total expense</b>	<b>600.71</b>	<b>717.04</b>	<b>829.52</b>
<b>Profit (Loss) before financing expenses and income taxes</b>	<b>57.41</b>	<b>81.87</b>	<b>58.82</b>
Financial cost	0.34	0.33	0.67
<b>Profit (loss) before income tax</b>	<b>57.07</b>	<b>81.54</b>	<b>58.15</b>
Income	12.09	22.81	11.65
<b>Net profit (loss)</b>	<b>44.98</b>	<b>58.73</b>	<b>46.50</b>

Financial Position (million baht)	2020	2021	2022
Total assets	660.44	732.92	772.44
Total liabilities	320.28	375.71	426.74
Total shareholders' equity	340.16	357.21	345.70

Information per share (baht)	2020	2021	2022
Earnings per share	0.16	0.21	0.17
Dividend	0.15	0.20	0.14

Financial ratios	2020	2021	2022
Gross profit margin - service (%)	43.54	37.20	36.91
Gross profit margin (%)	53.38	52.57	44.68
Net profit margin (%)	47.83	43.56	40.55
Return on equity (%)	6.83	7.35	5.23
Liquidity ratio (time)	13.54	16.75	13.21
Debt to equity ratio (time)	2.11	1.95	1.81
Gross profit margin - service (%)	0.94	1.05	1.23

## Message from Chairman of Board of Directors

To Shareholders

In 2022, AppliCAD Public Company Limited would like to thank all those who participated in the development of the Company. Although this is a year of recovery after the unexpected change of the COVID-19 epidemic. We found that during the recovery of the COVID-19, enterprises have begun to become active. Therefore, we set the goal of sustainable growth. We will use our past experience to encourage our business to further develop. However, the Thai economy is affected by the international trade situation, especially the fluctuation of the Thai baht, which has greatly affected the Company's business, our Company has high operational efficiency, it can quickly adapt to changing conditions. However, effective response to the current situation still faces major challenges. The board of directors and executives of the company realized that we should expand our business to new businesses with good growth opportunities, establish long-term and sustainable stability while taking care of employees, business partners, customers and society and cooperate with relevant parties.

In addition, we have also emphasized the concept of ESG, which is a calculation framework for measuring the performance of socially and environmentally responsible businesses. We are committed to becoming the leader of ESG. We hope that shareholders and stakeholders can clearly see the connection between our business operation and society and environment. By using ESG principles as our business management tool, we will ensure business stability and add value to shareholders and the society in general.

Finally, we would like to thank you for your trust and support in our business operation. We would like to thank all the management and employees for their dedication in performing their duties. Board of directors, executives and employees sincerely hope that you will continue to support and grow steadily with the company to create sustainable returns for shareholders.

On behalf of the Board of Directors, Executives and employees of AppliCAD Public Company Limited, I would like to take this opportunity to convey my concern and good wishes to the shareholders, business partners, partners, communities, all stakeholders. I would like to send my encouragement to everyone to get through every crisis well.



A handwritten signature in blue ink, appearing to read 'Prasert Kanthamanon'.

(Asst.Prof.Dr. Prasert Kanthamanon)

Chairman of Board of Directors

## Message from CEO

To Shareholders

In 2021, the world and Thailand have learned and adapted to the spread of the COVID-19, resulting in the problem of the epidemic being resolved. However, many factors continue to put pressure on the economy, especially the Russian-Uzbekistan war that leads to trade sanctions and a protracted energy crisis. Chinese economic slowdown and economic polarization led by the US and China will affect global supply chains.

In the past year, the Company has been affected by the above challenges and has adapted and responded to such changes. The Company's operation plan focuses on product development and team building. In 2022, the Company's sales were 888.34 million baht, increased by 11.19% compared with last year, this is considered to be the highest sales volume in our history. In addition, the Company also established the AppliCAD Innovation Center (AIC). Our vision is to become the starting point of innovation to enhance the potential of Thai enterprises and promote creativity, prepare for sustainable business development and realize new innovation by promoting human resource development and tool development.

In 2023, we have also planned to continue developing our business in terms of products and services to meet changing consumer needs and behaviors and to maintain the Company's growth potential, enhance the Company's stability and growth. My management team and I have considered all stakeholders, including customers, employees, partners, shareholders, communities and the surrounding society.

Finally, I want to thank all shareholders, business partners and supporters. I want to thank the Board of Directors, all employees that work together to overcome obstacles and major changes to grow the company continuously and sustainably.



A handwritten signature in black ink, consisting of a large, stylized 'I' and 'A' intertwined.

Dr. Isra Akrapitak

Chief Executive Officer

## Part 1 Business Operation and Performance

## 1. Business Structure and Operation of the Company

### 1.1 Business Policy and Overview

AppliCAD Public Company Limited (“the Company” or “APP”) or previously known as AppliCAD Public Company was established on 13 September in order to conduct the business as a distributor of complete design solutions. The Company started the business as a distributor of AutoPLANT which is the 3D design of piping system to enhance the performance of the engineer to work faster, easier and more accurate. The founder studied the market of design software in Thailand and found the gap of the Middle Range in the market. He contacted Dassault Systèmes SolidWorks. After that, AppliCAD was appointed to be the reseller of SolidWorks in Thailand since 1997.

In order to expand its business, the Company expanded its business into the 3D Printer which can produce the work from 3D design file. After that, the Company expanded its business into the market of architectural engineering and construction design. Moreover, the Company has expanded into the 3D scanner’s market which is the 3D optical measurement system in the industrial section.

To be the provider of the complete 3D design solutions for our customers, the Company has also provided the 3D design training center known as DETI Company Limited and prototyping service company known as Rabbit Prototype Company Limited. Moreover, the Company expanded its business in to Indonesia to support ASEAN Economic Community (AEC) registered as PT. Indonesia AppliCAD to provide the 3D design solutions.

Subsequently, the Company was transformed into a public company to be a listed company on the Stock Exchange of Thailand and started trading in ordinary shares on the Stock Exchange of Thailand on 22 November 2019 with a paid-up registered capital of 140 million baht, divided into 3 business groups: software distribution business, distribution business 3D design products (Hardware) and business services (Services).

After all this time, the Company has committed to provide the best products and technologies to create the greatest satisfaction for customers by searching for new products and technologies to grow the customers’ business for Mechanical Solution: MEC, Architectural Engineering & Construction: AEC and 3D Design products (Hardware); 3D Printing and 3D Scanner as well as other related services. As a result, the Company has gained more trust from its customers and products’ owners and to support the growth in the market.

### 1.1.1 Vision, Mission and Goal

#### Vision

Innovation Changes Everything. AppliCAD is Where Innovation Begins.

#### Mission

- Leverage People
- Leverage Tools
- Leverage Business

#### Goals

To be recognized as the leading company for consulting and selecting the technological products to encourage the creation of creative innovation of design and manufacturing as well as construction in Southeast Asia

### 1.1.2 Major Change and Development

AppliCAD Public Company Limited and its subsidiaries have continuously developed the organization to ensure efficient business operations. The company's major developments in the past 3 years are as follows:

2020
<ul style="list-style-type: none"> <li>● The Company has developed the online platform known as CADThai to facilitate the customers as a comprehensive collection of tools, knowledge and models as well as increasing the communication channels with the industry entrepreneurs, designers, engineers, architects, manufacturing plants and freelancers.</li> <li>● The Company has researched and developed Robotendy, which is an automatic mixer by robot that can replace the shortage of service workers.</li> <li>● The Company received the “PDPA Compliance” award from the award announcement of "Preparation under the Personal Data Protection Act 2019 - PDPA Awards 2020" organized by the Securities and Exchange Commission together with the Office of the Personal Data Protection Committee Faculty of Law, Chulalongkorn University and Thailand Productivity Institute.</li> </ul>
2021
<ul style="list-style-type: none"> <li>● The company has launched a new service model to meet digital work needs and drive industrial solutions:               <ul style="list-style-type: none"> <li>○ 3DEXPERIENCE</li> <li>○ XR service</li> </ul> </li> </ul>



**2022**

- The Company has established the AppliCAD Innovation Center (AIC) as a center for cutting edge technology to create innovation in Thailand in order to promote the use of technology and develop the potential to work for a variety of industries.
- The Company has launched new product to meet the needs of more diverse operations as follows:
  - JAKA Collaborative Robots (JAKA Cobots)

### 1.1.3 Information on the use of funds raised according to the objectives stated in the registration statement

Objective of utilization	Expected amount used	Outstanding balance as of 31 Dec 21	Spending amount as of 1 Jan 22 - 31 Dec 22	Outstanding balance as of 31 Dec 22
1. To invest in the machinery and equipment for the demonstration to the customers such as 3D printers and 3D scanners	20.00	6.89	6.80	0.09
2. To use as the working capital	164.01	1.35	0.01	1.34
<b>Total</b>	<b>184.01</b>	<b>8.24</b>	<b>6.81</b>	<b>1.43</b>

### 1.1.4 Obligations Committed by the Company in the Securities Offering Information Sheet

- None

### 1.1.5 General Information

Company name	:	AppliCAD Public Company Limited
Business type	:	Distribution of the complete design solutions for Mechanical and Engineering software, Architectural Engineering and Construction software, 3D Printing Technology; 3D Printer and 3D Scanner as well as other related services
Head office	:	69, Sukhumvit 68, Sukhumvit Road., Bangna Nuea, Bangna, Bangkok 10260
Company registration number	:	0107561000471
Tel.	:	0-2744-9045
Fax	:	0-2744-9049
Website	:	www.applicadthai.com

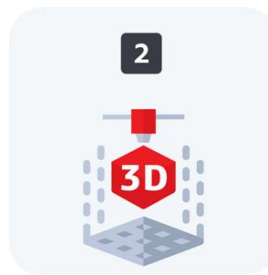
## 1.2 Nature of Business Operation



### SOFTWARE

#### Business of Design Software

- Software for industrial design
- Software for architectural design and construction



### HARDWARE

#### Business of 3D Hardware

- 3D Printer
- 3D Scanner
- JAKA Cobots
- Equipment and consumables



### SERVICES

#### Service related to Design Solutions

- Subscription Service
- 3D design services according to customer's requirements
- XR Service
- Prototype and low volume production
- Training Services (DETI Training Center)

Product/ Service	Business unit of Each Company			
	AppliCAD	RP	DETI	APP Indo
<b>Distribution Business of Design Software (Software)</b>				
- Industrial design software (MEC)	✓	-	-	✓
- Architectural and Construction design software (AEC)	✓	-	-	✓
<b>Distribution Business of 3D Design (Hardware)</b>				
- 3D Printer for Industrial Grade	✓	-	-	✓
- 3D Printer for General Use	✓	-	-	-
- 3D Scanner	✓	-	-	✓
- JAKA Cobots	✓	-	-	-
<b>Service</b>				
- Subscription Service	✓	-	-	✓
- 3D Design as requirement	✓	-	-	-
- Prototyping and Low Volume Production	-	✓	-	-
- Training Service	-	-	✓	-
- XR Service	✓	-	-	-

### 1.2.1 Revenue Structure of the Company

From 2020 - 2022, the revenue structure of the Company can be summarized as follows:

Type of Revenue	2020		2021		2022	
	Million Baht	%	Million Baht	Million Baht	%	Million Baht
<b>Revenues from Sales</b>						
- Design Software	278.20	42.27	265.77	33.27	271.42	30.55
- 3D Design Product	87.23	13.25	194.39	24.33	194.59	21.91
<b>Total Revenues from Sales</b>	<b>365.43</b>	<b>55.52</b>	<b>460.16</b>	<b>57.60</b>	<b>466.01</b>	<b>52.46</b>
<b>Total Revenues from Services</b>	<b>282.56</b>	<b>42.94</b>	<b>324.46</b>	<b>40.61</b>	<b>409.16</b>	<b>46.06</b>
Other Income*	10.13	1.54	14.29	1.79	13.17	1.48
<b>Total Revenues</b>	<b>658.12</b>	<b>100.00</b>	<b>798.91</b>	<b>100.00</b>	<b>888.34</b>	<b>100.00</b>

**Remark:** Other significant revenues consist of commission and marketing subsidy from the owners of the products of which the Company is a distributor and gain from exchange rate.

### 1.2.2 Product information

The Company distributes solutions for 3D design and provides a full range of related services as following details:

#### (1) Characteristics of product and service and innovation development

##### 1 Distribution Business of Design Software

The design software distribution business operated by APP and APP Indo is the main revenue generating business for the Company, representing 76.13%, 57.76 and 62.98% of sales revenue in 2020 - 2022 respectively. The distribution of software to customers is mainly the nature of software licenses. The design software distributed by the Company can be divided into two main groups: Industrial and architectural and construction design software.

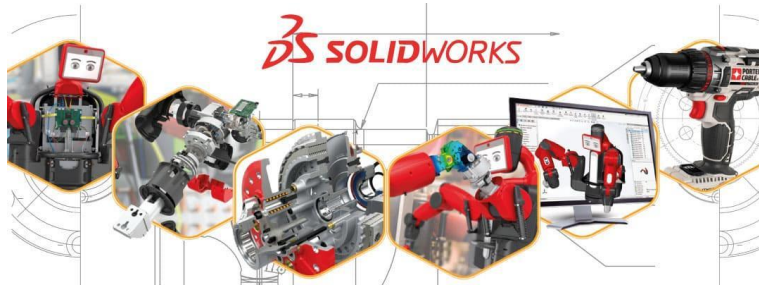
##### 1. Industrial Design Software (Mechanical Solution: MEC)

Industrial design software (MEC) is 3D Software for an aided-design of products or equipment parts, and test of the engineering property of the designed products, using Simulation software in the property analysis of parts such as strength, elasticity, as well as assembly test and movement simulation together with other parts. The revenues from sales of Industrial design software in the approximate proportion at 58% of revenues from sales of Software.

The key 3D industrial design software distributed by the Company includes SOLIDWORKS, whereas APP has been appointed to be the distributor in Thailand from Dassault Systemes SOLIDWORKS Corporation (“DSSW”), USA.

### 1.1 SOLIDWORKS

SOLIDWORKS is software developed by DSSW, USA, as 3D Industrial design software developed for using in Personal Computer, resulting in a simple accessibility to the users and an extensive popularity among the engineers and industrial fields. A prominent feature of SOLIDWORKS in creation of a virtual simulation of product is an ability of the user to define the details and specifications of parts, such as color, structure, volume, surface, and type of material, for using in property analysis of the part whether being a calculation to measure area, volume or weight. An assembly test and a movement simulation together with other parts, and an engineering test of the parts designed in different states prior to actual production are conducted to ensure that the designed parts can be actually and efficiently used in accordance with the required specifications. This will contribute to a reduction of the period, procedure, and cost used in design and development of the user. New version of software will be yearly updated to ensure better serve the user’s need and new function will be updated to facilitate the user with various and different needs in each industry.



### 1.2 3DEXPERIENCE Platform

3DEXPERIENCE Platform is another channel to meet the changing of user behavior in the form of software as a service or SAAS by using the Cloud Service system. This platform can work seamlessly to connect with current customers. Beginners can easily learn how to use them as well and to provide better usability, DS developers have added various capabilities to 3DEXPERIENCE in the form of applications. It brings hi-end technologies developed in high-end industries such as Aerospace and Automotive to add capabilities on the platform in a flexible way based on the role of the user responsible for the specific area. This makes it easy to adapt applications to specific roles.



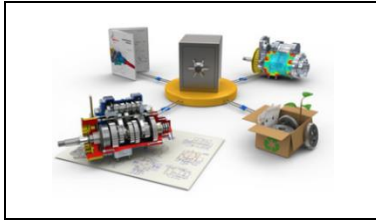
### 1.3 Add-on for industrial design software

Other than SOLIDWORKS which is the core software distributed by the Company, it has also distributed Add-on for industrial design software to enhance the functional capacity of SOLIDWORKS to be more efficient for serving the user’s specific need. The software consisting of SOLIDWORKS Simulation, SOLIDWORKS Electrical, SOLIDWORKS Visualize, etc., are developed by DSSW; and such software consisting of SolidCAM and SolidPlant, are developed by other software developers. The usability of Add-on is in the nature of Add-on Function on Tools Bar in SOLIDWORKS (Plug-in) or a Stand-Alone software by taking file acquired from SOLIDWORKS to work on each Add-on.

Add-on distributed by the Company can be summarized as follows.

Add-on used for Engineering Simulation	
	<p><b>SOLIDWORKS Simulation:</b> It is software used for analyzing the engineering property of parts designed by 3D Software to test the parts’ strength, quality, and operation. Various states and forces can be determined in testing the parts. Therefore, the quality of parts can be assessed, contributing to quality improvement of the parts prior to the actual production.</p>
	<p><b>SOLIDWORKS Plastics:</b> It is software used for simulating plastics injection molding from the process of design, simulation of melt flow pattern during plastics injection molding, as well as assessment of risk from the plastics injection molding, contributing to reduction of waste from the plastics injection molding. The users can test integrity of the parts from the procedure of mold design, contributing to a more efficiency of plastics part and plastics injection mold design.</p>

	<p><b>SolidCAM:</b> It is software used for simulating milling with CNC (Computer Numerical Controlled) Machine and defines instruction for controlling the operation of CNC Machine from the file of the designed CAD parts. This software aids in defining the size of raw materials which must be used, and recommending the positioning of raw materials, determining the type of cutter; aids in defining the automatic milling path for the maximum efficiency; and shows a part milling procedure from the beginning to the end of the process.</p>
<p><b>Add-on Used for Specific Design</b></p>	
	<p><b>SOLIDWORKS Electrical:</b> It is software used for designing an electrical system both in format of 2D and 3D together with designing a mechanical work. Bill of Material (BOM) in the design can be quickly prepared. This software also aids in an automatic wiring by linkage of BOM data to be connected with the electrical devices at the specified terminal points.</p>
	<p><b>SolidPlant:</b> It is software used for drawing the factory piping and wiring for pressure hose, factory pipe, and drain. Bill of Material (BOM) in design can be shown, and many libraries of standard parts for designing the factory wire and pipe routing are available for selecting to use.</p>
<p><b>Add-on Used for Data Presentation and Data Management</b></p>	
	<p><b>SOLIDWORKS Composer:</b> It is software used for enhancing a technical communication potential; imaging the product components with the complicated resolution both in format of 2D and 3D images or animations to be used in preparation of the assembly and manufacturing manual, instruction manual of the product, maintenance manual, product data presentation document; and showing Bill of Material (BOM).</p>
	<p><b>SOLIDWORKS Inspection:</b> It is software used for preparing the documents relating to parts inspection, and it is operable with Coordinate Measuring Machine (CMM) for the parts in order to link with the parts inspection result, and automatically prepare an inspection report.</p>
	<p><b>SOLIDWORKS Visualize:</b> It is piece of software used for imaging the high-quality graphics to be used in design presentation for the reality and attractive light and shade.</p>



**SOLIDWORKS PDM Professional:** It is software used for controlling, managing and building security for design data by defining the right to use and the right to access data for each user as necessary and appropriate.

### Target Customer Group

The customers that are the main target groups of Industrial design software such as the businesses in the groups of automotive industry, electronic parts industry, electric appliances industry, and machine and industrial material manufacturing industry.

## 2. Architecture Engineering & Construction Design Software: AEC

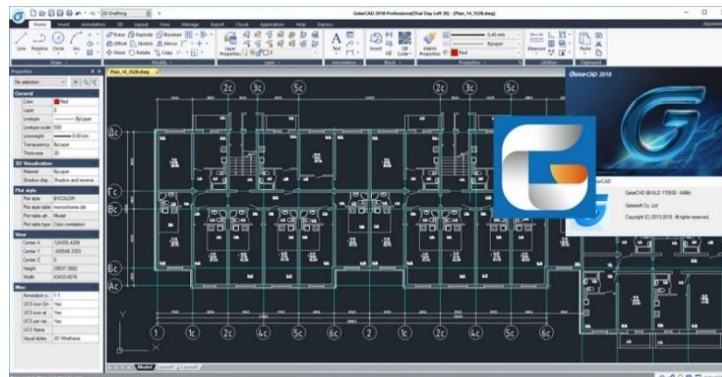
Architecture Engineering and Construction Design Software is software aiding in architecture engineering and construction design, such as building design, interior design, and building structure and system design. Revenues from sales of Architecture Engineering and Construction Design Software are in the approximate proportion at 48% of revenues from sales of software.

The core Architecture Engineering and Construction Design Software distributed the Company can be classified into 4 groups as follows.

### 2.1 2D Drawing Software: GstarCAD

2D Drawing Software is the 2D Computer Aided Design (CAD) in replacement of paper drawing, aiding in labor-saving and increase in working efficiency of the architects and engineers in plan drawing. However, 2D Drawing Software mainly distributed by the Company is GstarCAD.

GstarCAD is the 2D Drawing Software developed by Gstarsoft Co., Ltd., China, and accepted by many users in 65 countries worldwide. It is software which is user-friendly and can support various types of the design files, resulting in interoperability with files from other software without requirement of file conversion. This will not cause data damage

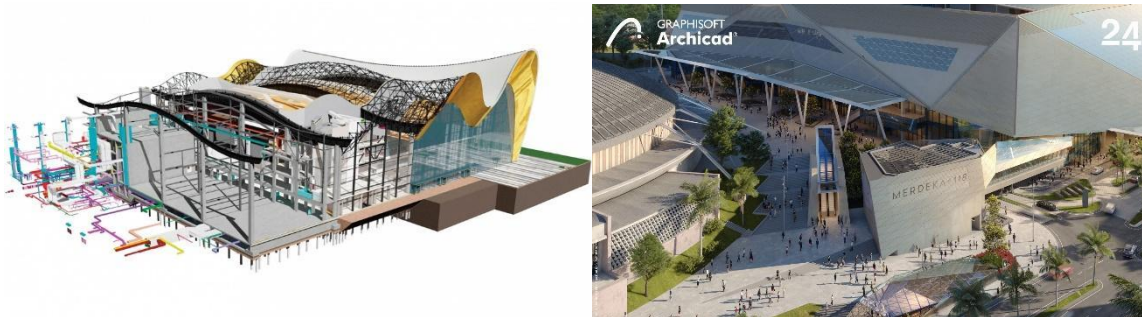




## 2.2 3D Building Design Software with BIM Technology: ARCHICAD

3D Building Design Software is the technology developed to display 3D modelling image, resulting in faster design, and easy data presentation and communication to the related departments. In addition, the construction drawing both of 2D plan and section image can be automatically created in 3D Drawing Software, contributing to a reduction of redundant work procedures and time-saving. However, 3D Building Design Software mainly distributed by the Company is ARCHICAD.

ARCHICAD is software developed by Graphisoft SE, Hungary. It is considered as the first 3D Building Design Software that has commenced to develop Building Information Modeling (BIM) Technology to be used on personal computer, resulting in the extensive acceptance of the users particularly in Europe, Australia, New Zealand, and Japan. With BIM Technology, a virtual modelling of the building by ARCHICAD is precise by adding data and specifications in construction drawing. Data from different sections, whether being design, construction, engineering, and purchasing data, will be linked and integrated. BOQ (Bill of Quantity) can be extracted, resulting in the consistent interoperability of all related parties, ability to accurately estimate construction cost, and easy management of the project's progress

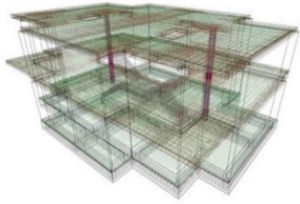
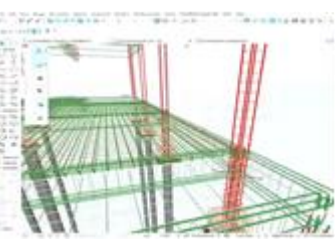


## 2.3 Add-on of Architecture Engineering and Construction Design Software

The Company distributes Architecture Engineering and Construction Design Software Add-on to enhance the functional capacity of GstarCAD and ARCHICAD and to serve the specific needs of the customers who are the users. The usability nature of Add-on is to add function on Tools Bar in the core software developed by other software developers. However, Add-on distributed by the Company can be summarized as follows;

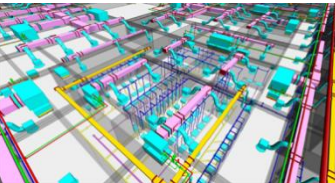
Add-on Used for 2D Drawing	
	<p><b>CADProfi:</b> It is software aiding in more efficient 2D drawing. A specific design-aided tool is available for extracting BOM/BOQ and Library of standard components, and it is classified into four Modules, including Architectural Design, Electrical Circuit Design, HVAC&amp;Piping Design, and Mechanical Engineering Design.</p>


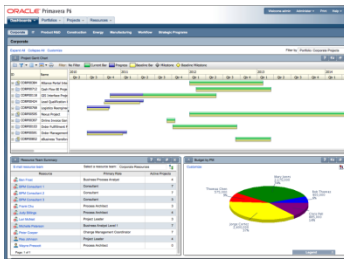
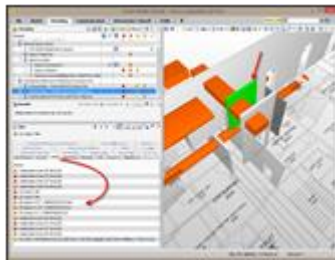









Add-on Used for Building Design	
	<p><b>EPTAR:</b> It is software which is interoperable with ARCHICAD, and used for designing and preparing the specifications of reinforcement structure both in 2D and 3D format. Total quantity of reinforced concrete required for using in construction can be calculated and extracted, resulting in more details of the structural work design, a reduction of the design conflict, and a reduction of the error problems in construction work.</p>
Add-on Used for 3D Drawing	
	<p><b>Thai BIM:</b> It is an add-on software developed by the Company to be interoperable with ARCHICAD, aiding in more convenient working of Thai architects and contractors in construction design and drawing, and cost estimation due to the availability of instructions consisting of a building structuring in accordance with the various patterns popular for using in Thailand in Library for selecting to use; an automatic insertion of reinforcement in columns, beams, and floors; and an extraction of BOQ of the materials used in all building sections.</p>

#### 2.4 Specific Design Software

The Company distributes other 3D Software used for specific design to serve the various needs of the customers. The characteristic of this software is the Stand-Alone Software which can extend the development from the files acquired from GstarCAD or ARCHICAD. However, the specific design software distributed by the Company can be summarized as follows;

MEP System Design Software	
	<p><b>CADEWA:</b> It is software from Japan, which is used as aid in designing an engineering system in the building consisting of electrical system, plumbing and sanitary system, and air-conditioning system. The available easier design-aided instructions consist of a water piping of which equipment is automatically inserted, and an inspection of the system corrosion, and a count-aided instruction for the quantity of equipment used in design for the quantity extraction. This software supports BIM Technology which can input and output IFC standard files for using the data by another BIM Program.</p>

<b>Building Strength Analysis Software</b>	
	<p><b>Prota:</b> It is software used by the engineers in analysis of building strength. A 3D building structural modelling can be performed and a building structural model file from other software can be used to calculate for determining the standards of steel and concrete used, and analyzing the designed building strength for inspecting whether the building can be durable in different situations. For instance, upon an occurrence of earthquake or storm, a calculation report is automatically created, contributing to the correct and rapid designing.</p>
<b>Data Management Software</b>	
	<p><b>Oracle Primavera:</b> It is software used for the project management in the efficient planning, chronology, and resource control and management of the small-sized to large-sized projects that have an activity complexity and a number of the people relating to the project. This can contribute to more improvement on the related parties' cooperation, monitoring of the progress, and management of the project overview.</p>
	<p><b>Solibri Model Checker:</b> It is a software that helps to monitor BIM-designed models with various applications, including architecture, air conditioning, indoor water pipe system, structural work that must be combined to identify potential design defects such as overlapping parts, which, when detected, are corrected. It ensures complete design accuracy and reduces construction problems.</p>
	<p><b>ExtrAXION:</b> It is software used for estimating a construction cost from a construction drawing by measuring the length of the line, calculating the area, and counting the quantity of materials and equipment in a construction drawing. The calculated data can be automatically linked with Work Breakdown Structure (WBS) for calculating to find workload and expenses.</p>
<b>Virtual Imaging Software</b>	
	<p><b>D5 Render:</b> It is a software used to create graphics for presenting landscapes. (Perspective) high quality for building design, interior decoration, landscape work, as well as the presentation of high-quality animation in the form of a virtual landscape.</p>

	<p><b>Twinmotion:</b> It is software used in real-time creation of animation whereas the topography or surrounding details can be referred from Google Earth worldwide, resulting in the user's ability to accurately simulate the project location, and outer details.</p>
	<p><b>V-Ray:</b> It is software used for graphic imaging of both exterior and interior building designs with reality and very high quality. This software must be interoperable with the main modelling program.</p>
<p><b>General 3D Modelling Software</b></p>	
	<p><b>SketchUp Pro:</b> It is 3D Design Software for house, building, and system architecture. It is designed to be user-friendly. In addition, an instruction of 3D part management in interoperability with Google Map and Google Earth is available for creating a geographical map or putting a designed building on Google Earth for creating a reality.</p>
	<p><b>ZBrush:</b> It is software used for 3D Sculpture, and consists of various user-friendly tools aiding in sculpture of the model, resulting in the user's ability to freely configure the model and correct work. The nature of its usability is similar to a real sculpture to ensure that the achievement with the remarkable special contour can be built. Therefore, this software is popular for using in high resolution model works, such as Animation work or Compute Graphic work in films.</p>
	<p><b>Rhinoceros:</b> It is software for modelling or producing 3D parts in product design requiring novelty. It is outstanding in creating Free Form, resulting the designer's ability to unlimitedly transfer his/her imagination.</p>

### Target Customer Group

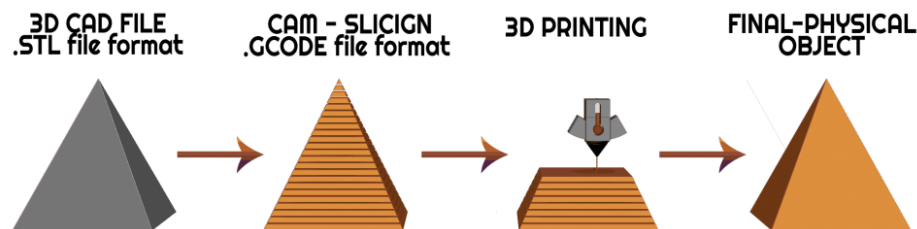
The customers in the main target group of Architecture Engineering and Construction Design Software include the entrepreneurs in the construction industrial group, such as construction contractors, architects, real estate developers, and manufacturers and distributors of construction materials, etc.

## 2. Distribution Business of 3D Design Hardware

To extend the expertise in distribution business of 3D Design Solutions, the Company has also distributed 3D Hardware such as 3D Printer, 3D Scanner as well as the related equipment. In 2020 - 2022, the Company's revenues from distribution of 3D Design Hardware were in the proportion at 23.87%, 42.24 and 37.02% of revenues from sales and services, respectively, as following details:

### 1. 3D Printer

3D Printer is the technology of part production from 3D CAD File with Additive Manufacturing Process using computer for calculating data from 3D CAD File in order to continue printing material texture into layers at a micron level resolution (1 micron is 0.001 mm.) to be a virtual part as designed. The said part is tangible and really utilizable, resulting in the designer's ability to quickly and accurately produce a part.



At present, 3D Printer and materials used for printing and distributed by the Company can be classified into two groups, consisting of Industrial Grade 3D Printer and General Use 3D Printer. The details of the said products are as follows;

#### 1.1 Industrial Grade 3D Printer

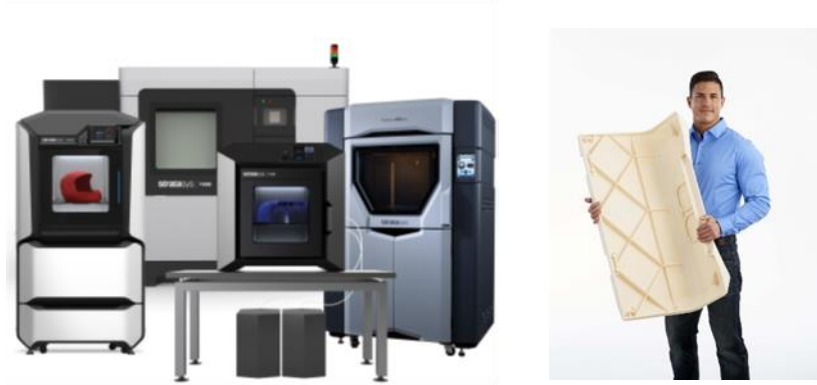
This type of 3D Printer distributed by APP and APP Indo is a large-sized printer with high precision, and able to precisely, accurately, and quickly manufacture the complicated part. The various types of materials used in printing are used so that the various engineering properties of part can be determined. Therefore, it is suitable for various industries, such as Automotive, Aerospace, Electrical Appliance, Health Care, and Dental, etc.

The Industrial Grade 3D Printer, such as 3D Printer in Stratasys Brand from United States of America, is distributed by APP and APP Indo which are the world market leaders of 3D Printers. Stratasys 3D Printing Technology can be classified into materials and a technology used for printing part as follows;

- **3D Printer - FDM (Fused Deposition Modeling) System from Stratasys**

3D Printer - FDM System has currently been the most popular and usable printer. This printer uses thermos-plastic materials such as ABS, PLA, PET, Nylon, etc., which are plastics that can be formed for recycling after melting. The functional process of this type of printer starts from melting plastic filaments to become fluids and then injecting them to be filaments with an injector in plane level into layers to form part in

accordance with 3D design file data. The characteristic of the acquired part is an opaque solid object. Therefore, it is suitable for works in type of which the part strength is required, for instance, sample of assembly testing part, Jig & Fixture, End Use Part, and medical device, etc.



- **3D Printer – Polyjet System**

It is 3D Printer - Polyjet System that uses material in type of Photo Resin in printing. Resins are hardened at the light exposure point. The functional process of this type of printer starts from injecting fluid resins out and then radiating with UV to harden them. Therefore, the figure is continually formed into layer by layer to acquire high resolution part as required. This printer can print a work with several colors or several materials in one piece. Therefore, it is suitable for a work with fine surface, or a work requiring attractiveness, such as Model, product sample, and dental work, etc.



### 1.2 3D Printer for engineer and designer

This type of 3D printer, distributed by APP, is a small but packed 3D printer with features from industrial-grade machines. It is suitable for 3D printers at the desks of engineers and designers to model and experiment with various functions in product development or production aids as follows:

- **3D printer, FDM system (Fused Deposition Modeling) from MakerBot**

The FDM 3D printer from MakerBot, a Stratasys subsidiary, is another popular model among beginners but supports industrial applications. It features price and print quality to supports prototype printing and to create a sample of the work that must be tested. It can also choose from a wide range of printheads that are open for a wide range of materials



### 1.3 3D Printer for General Use

This type of 3D printer, distributed by APP, is a 3D Printer with small size, light weight, and cheap price to be suitable for using in production of small and non-complicated parts, such as small model, learning media for kids, etc.

At present, General Use 3D Printers distributed by APP consist of 2 brands as follows: (1) Sindoh from Korea, (2) XYZ from United States of America. In distribution of General Use 3D Printer, the Company shall mainly distribute using online channel via [www.8baht.com](http://www.8baht.com) which is the Company's website.



Sindoh



XYZ

### 1. 3D Scanner

3D Scanner, distributed by the Company is a 3D optical measurement technology for industrial inspection and 3D scanning technology for reverse engineering engineers.

**GOM** is suitable for fast and accurate inspection industries such as automotive and aerospace industries, especially sheet metal forming, metal and aluminum castings. GOM 3D scanners can be operated manually and automatically which GOM from Gom GmbH., Germany is a technology leader in 3D measurement



systems, high resolution with Optical Metrology System technology, which is the use of a 3D Scanner in conjunction with software for inspection work in particular.



**Artec** is a 3D scanner for fast and accurate industries to reverse engineer or store details of objects into digital files such as industrial and architectural work



## 2. Equipment and Consumables

Other than 3D Printer and 3D Scanner distributed by the Company, it has also distributed equipment as spare parts and consumables required for use together with printer and scanner, such as different types of printing materials, parts cleaner, parts tray, components and spare parts, etc.

### Target customers

The main target customers in 3D design are automobile industrial enterprises, electrical appliances include government agencies and educational institutions.

### 3. 3D Design Solution-Related Services

To fulfill 3D Design Solution of the Company to entirely serve the customers' needs, it provides other 3D Design Solution-related services to its customers. The said services can be classified into 4 types as follows;

#### 1. Subscription Service

As software and solutions distributed by the Company, either Software or 3D Printer in Stratasys Brand, are the design technology that requires the use of specific knowledge and expertise, therefore, the Company establishes a policy for selling Software and Solutions together with Subscription Services Package for one year. After the first expiration of the period of Subscription Services, the customers can select to renew the Subscription Services Agreement for another 1-3 years per term under the determined service rate and service conditions for each product. However, throughout the period of Subscription Services, the customer is granted for the privileges to enhance the customer's usability efficiency of Software or 3D Printer as per the following details;

#### Privilege of Subscription Services for Software Products

- Software Upgrade Service: the new version upgrade service is provided throughout after sales service period at free of charge to enhance the working efficiency of program.
- Training Service: The customers can attend the software usability training for the usability at full capacity. The training is conducted at DETI Training Center and the trainees who are passed for the usability training will be awarded for the software usability certificate.
- Technical Support Service: The Company's team which is expert and certified by the product owner is ready for counseling and troubleshooting via the following service channels;
  - Hotline Service: It is a counseling service on the software usability by phone in working hours from 8.30-17.00 hrs. at Hotline 02-744-9044.
  - Online Service: It is a troubleshooting service via chat in online channel, and Remote Access for the quick troubleshooting support.
  - Onsite Service: It is a service in the way that an Application Engineer is sent to give troubleshooting counsel and advice in collaboration with the customer's team for correct and quick troubleshooting to meet the requirement.
- Other Services: The customers can download data or media of usability for additional uses, such as 3D Object or Library Package, for instance, screw, knot, window, door, etc., to be used in design or instructional videos for the use of instructions, etc.

#### Privileges of Subscription Services for 3D Printer Products

- Condition Checking, Maintenance, and Spare Parts Replacement Service: The preventive maintenance service for checking condition and maintaining a printer is provided every four months



or three months per year for the complete availability of the printer and replacement of spare parts under the Agreement.

- Training Service: The customers can attend the printer usability training for usability at full capacity.
- Technical Support Service: The Company's expert team is ready for counseling and troubleshooting via the following service channels.
  - Hotline Service: It is a counseling and troubleshooting service on the usability by phone in working hours from 8.30-17.00 hrs. at Hotline 081-936-9914
  - Onsite Service: It is an onsite service in the way that an application engineer is sent to the customer office for the urgent troubleshooting in quickness and correctness manner.
- Parts Production Service: In case of the problem occurred with the customer's printer during usability, resulting in a functional failure, or during importation of components and spare parts for replacement from the manufacturer, the customer can send the correct and complete file to the Company for producing the customer's parts with the Company's printer at a specific expense for the actual cost of materials used in production only. The expense for the working hours of the printer and the engineering labor cost must be unpaid.

## 2. Customized 3D Design Services

The Company provides the customized 3D design services, using its experiences and expertise of the personnel, and technological readiness to fulfill the specific needs of the customers in various forms both for industrial design software, Architecture Engineering and Construction Design Software, and Customized Add-on Development to efficiently serve the specific needs of its customers.

### Samples of 3D industrial design software Support Services

- 3D design file creating and engineering design analysis service
- Product Presentation Preparation Service with virtual rendering image and interactive animation
- Specific Plug-in Program Development Service for working on core software like SOLIDWORKS

### Samples of 3D Architecture Engineering and Construction Support Services

- 3D Building Modelling Service on BIM Standard
- Presentation Animation and Presenting Work Preparation Service with AR and VR Technologies
- Specific Plug-in Program Development and BIM Object Creation Service whereas the BIM Object is the 3D parts design, for creation of Library Package for using in design and virtual modelling for presentation.

## 3. XR service (Extended Reality) or 3D Virtual Solution

XR service is a business serving the virtual world by providing Virtual Showroom services to visit virtual products for luxury customers while Virtual industrial is to visit virtual factories, virtual Events or Virtual

Exhibitions to respond to the needs of businesses in the New Normal era, such as Grand Seiko's Virtual Boutique, Mercedes-Benz Showroom, etc.

#### 4. Prototype Production and Low Volume Production Services

Rabbit Prototype provides one stop services of Prototype Production and Low Volume Production from Scan & Reverse Engineering, forming, designing, improving 3D parts, and producing prototype using technologies which are suitable for producing each type of work, such as 3D Printer, Vacuum Casting Machine, CNC (Computer Numerical Control) Machine and Plastic injection machine

#### 5. Training Services

DETI provides the integrated training services for usability of industrial design software and Architecture Engineering and Construction Design Software, with experiences of longer than 19 years. At present, DETI has been appointed as SOLIDWORKS Authorized Training Center from DSSW and Authorized Training Center from Autodesk, Inc., including Authorized SketchUp Training Center from Trimble Inc.

The DETI Training Center is a training center for usability of Design Software, and emphasizes on development of the software users' knowledge and competency so that the users can efficiently use such software with a practice-based teaching process for the actual application of knowledge. The learners are trained by the professional trainer team of which the teaching techniques and field working experiences are available, and the team is expert of the software usability. The DETI trainers must be trained and certified by the product owners.

The courses opened for teaching by DETI are diversified to ensure that the trainees can select for training based on their interests or needs for using SOLIDWORKS, ARCHICAD, AutoCAD, Revit, and SketchUp in actual working. The courses opened for teaching are from a basic level to an advanced level and it takes around 1-4 days of training period, depending on the course content. In addition, DETI also provides the services in organizing special customized onsite training courses whereas the customers can define training topics to be suitable for the efficient organizational personnel development. After completion of each training course, the trainees will be tested to assess their competence and skills on the software usability. The trainees who pass the test will be certificated as a guarantee of each trainee's capability to use software.

Details of the current DETI courses opened for teaching are as follows.

#### Engineering and Industrial design software Courses

Type of Course	Available Course
SOLIDWORKS Standard Course: SOLIDWORKS Usability Course for Designing of Various Types of Objects	<ul style="list-style-type: none"> <li>- SOLIDWORKS Basic</li> <li>- SOLIDWORKS Essentials</li> <li>- SOLIDWORKS Advanced Part Modeling</li> <li>- SOLIDWORKS Assembly Modeling</li> <li>- SOLIDWORKS Surface</li> <li>- SOLIDWORKS Drawing</li> <li>- SOLIDWORKS Sheet Metal</li> </ul>

Type of Course	Available Course
	<ul style="list-style-type: none"> <li>- SOLIDWORKS Weldments</li> <li>- SOLIDWORKS Mold Design</li> <li>- SOLIDWORKS CAD Productivity Tools</li> </ul>
<b>SOLIDWORKS Communication:</b> SOLIDWORKS Usability Course for the Achievement Presentation	<ul style="list-style-type: none"> <li>- SOLIDWORKS PhotoView 360</li> <li>- SOLIDWORKS Animation</li> </ul>
<b>SOLIDWORKS Simulation Course:</b> SOLIDWORKS Usability Course for the Engineering Test	<ul style="list-style-type: none"> <li>- SOLIDWORKS Simulation</li> <li>- SOLIDWORKS Simulation Professional</li> <li>- SOLIDWORKS Simulation Premium</li> <li>- SOLIDWORKS Flow Simulation</li> <li>- SOLIDWORKS Simulation Dynamics</li> <li>- SOLIDWORKS Simulation Nonlinear</li> <li>- SOLIDWORKS Motion</li> <li>- FEA with SOLIDWORKS</li> </ul>
<b>SOLIDWORKS Special Course:</b> SOLIDWORKS Usability Course for the Specific Design	<ul style="list-style-type: none"> <li>- SOLIDWORKS Electrical 2D</li> <li>- SOLIDWORKS Electrical 3D</li> <li>- SOLIDWORKS Motion</li> <li>- SolidCAM 2.5D Milling</li> <li>- SolidCAM 3D Milling</li> <li>- Product Design for Plastic</li> <li>- SOLIDWORKS Routing</li> </ul>

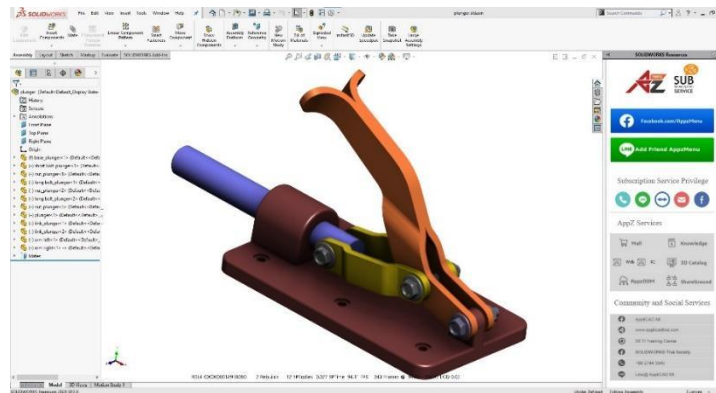
#### Architecture Engineering and Construction Design Software Courses

Type of Course	Available Course
<b>ARCHICAD Course:</b> ARCHICAD Usability Course for the BIM Modelling	<ul style="list-style-type: none"> <li>- ARCHICAD Workshop</li> <li>- ARCHICAD BIM Basic</li> <li>- ARCHICAD BIM Intermediate</li> </ul>
<b>Revit Course:</b> Revit Usability Course for the BIM Modelling	<ul style="list-style-type: none"> <li>- Revit for Architecture Workshop</li> <li>- Revit for Architecture Basic</li> <li>- Revit for Structure</li> <li>- Revit for MEP</li> </ul>
<b>AutoCAD Course:</b> AutoCAD Usability Course for 2D Drawing	<ul style="list-style-type: none"> <li>- AutoCAD 2D Basic</li> <li>- AutoCAD 2D Intermediate</li> </ul>
<b>Special Course:</b> Other Design Software Usability Course	<ul style="list-style-type: none"> <li>- SketchUp Pro Basic</li> <li>- Basic Drawing</li> <li>- SketchUp for Plant Layout</li> <li>- SketchUp for KID</li> <li>- 3D Printing Workshop</li> <li>- Robot &amp; IoT</li> </ul>

## 4. Research & Development

The Company has recognized the importance of making a difference to increase competitiveness, therefore the Company has considered the research and development as one of the strategies to develop its business to be sustainable in the long run and has established the research and development (R&D) to take responsibility for the development and presentation of design solutions to help make customers work efficiently. In the past, the Company has continued on product research and development as follows;

### 1 CADThai Platform

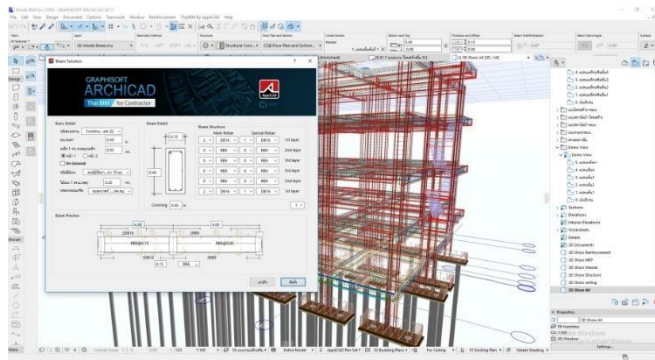


CADThai Platform is the add-on on SOLIDWORKS with the aim to increase the learning-to-use software to SOLIDWORKS users in Thailand. Moreover, it is another way to provide after-sales service to customers of the Company. The Company has developed CADThai Platform since 2015 and has begun to provide services to customers from 2016 onwards. The functions of CADThai Platform are as follows;

- The learning materials in video format described in Thai for the users to follow the steps in the video. The lesson starts from the basic level to advance level such as Weldment and Sheet Metal.
- The article, content and link to connect to social media or the community of SOLIDWORKS users with the updated information and new knowledge.
- The standard parts (Library) such as bolts, screws that users can use immediately.
- The shortcut menu to assist in running various tools more quickly.
- Design Data Management system (DDM) is a storage space for design files in the Cloud Base.
- Designing tools as a tool to help in creating specific design, rendering, and calculating including converting files and so on.
- As Technical Support channels that are available to assist in the event that customers experience problems through channels such as Hotline, Line App, Remote Access, Email and so on.

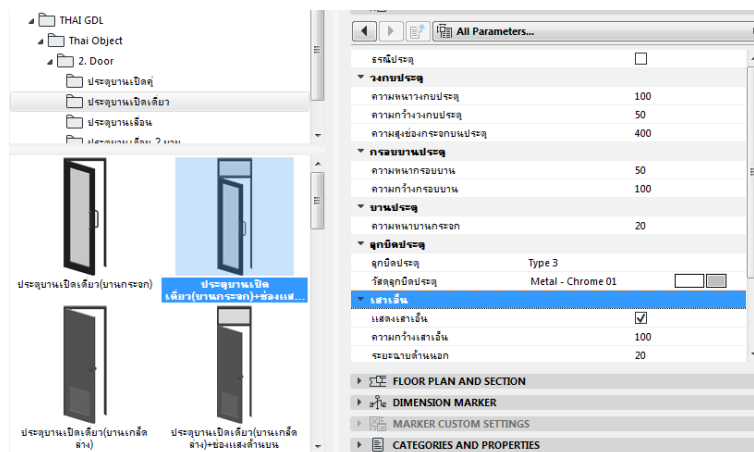
Currently, the Company has developed CADThai Platform to be used as an online platform on [www.appzmenu.com](http://www.appzmenu.com) website to facilitate customers, as well as increase communication channels with industry entrepreneurs, designers, manufacturing plants, including freelancers.

## 2 THAIBIM



The basic function of design and construction of each country is different and the Company has recognized the importance of such point. Therefore, the Company has created and developed Thai BIM on ARCHICAD to complement and increase the efficiency of the users in Thailand including architects, engineers and contractors, small and medium-sized enterprises. The Company has developed Thai BIM since the late of 2017 and has begun to distribute in the early of 2018 with many Parameters as follows;

- (1) structural composition function as the standard structure in Thailand such as
  - Various footing such as spread footing, footing with piles, triangular footing etc. It automatically provides functions for adding reinforced steel to the footing.
  - Inserting a steel reinforcement in concrete structures, pillars and beams with a data entry screen in Thai.



- (2) Standard parts (Library) are available to the architects and engineers deployed in selected projects, including doors, windows and doors with mullion, ventilation, spirit house and others for more than 100 models.
- (3) Quantities take-off function for architecture and structural automatically for each floor of the building according to Thai architects and engineers' standards. The information obtained can be linked to the median price of building materials and the federal accounting department's wages

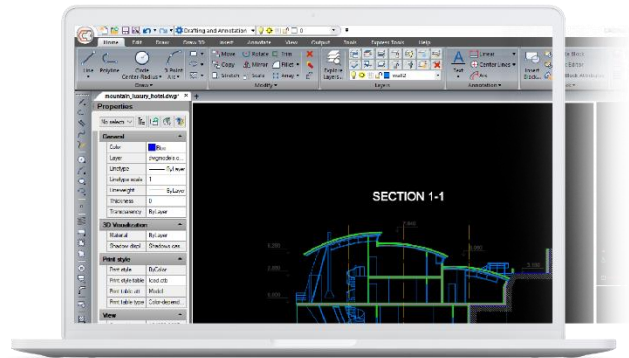
which are updated every month in order to get the price of construction at a mid-price price and can export as an Excel file.

### 3. CADThai Platform

CADThai.com is a platform for all types of CAD users, whether in construction or industry with tools and services to choose from as well as learning resources to develop endless innovations.

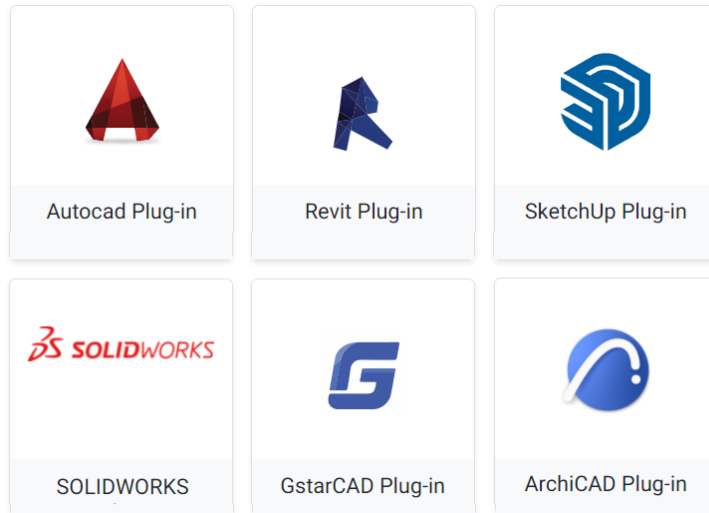
#### CADThai DWG

It is a 2D and 3D drawing program designed to meet the needs of work at a professional level in drafting by offering a complete set of tools, including the flexibility to work with file extensions, completely market leading drafting program available for free in private or for commercial purposes to work or receive various works without worrying about copyright issues



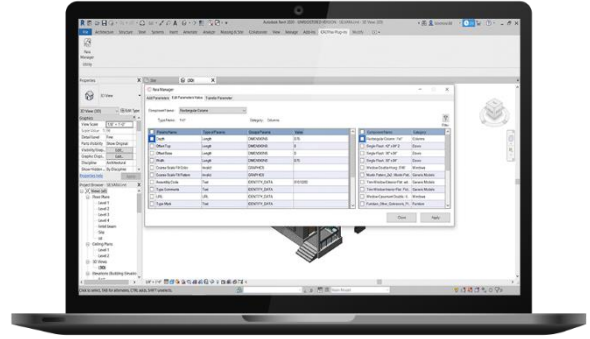
#### CADThai Plug-ins

Plug-in for leading CAD programs provides instant download of over 100,000 models from the CADThai Platform library.



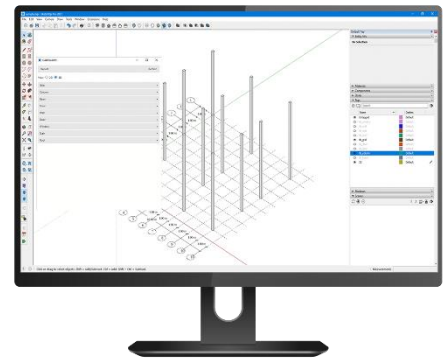
### CADThai Utility for Revit

A new tool of enhancements for Revit, including the Revit Paramanager that allows to add, reduce, edit, or move values between many families at a glance as well as being able to retrieve the model various ready-made ready to use in an instant including access to courses various free courses directly from the Revit program



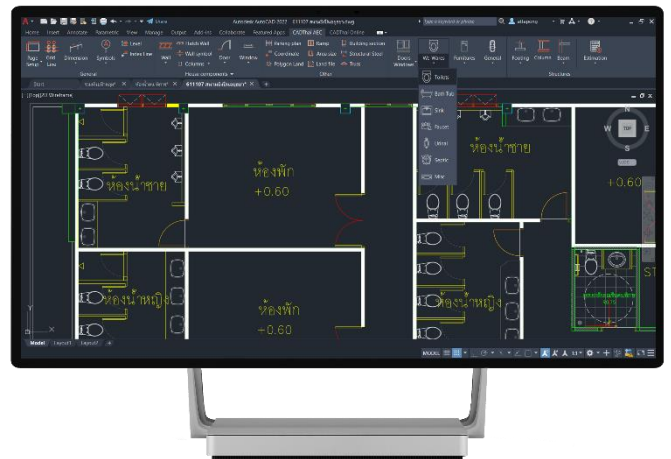
### CADThai BIM for SketchUp Pro

To cut the working time of traditional SketchUp users by more than half with tools that can quickly build houses and components such as walls, stairs, doors, windows without having to draw them yourself and immediately remove the quantity.



### CADThai AEC for AutoCAD

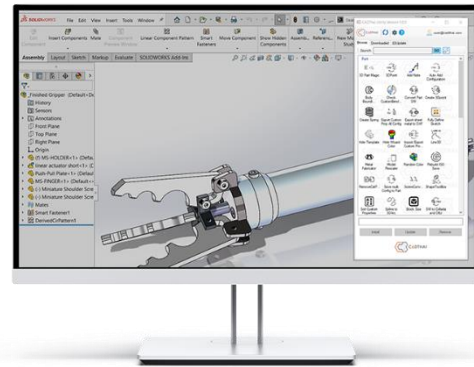
A set of add-on tools to install on AutoCAD that can be installed for free to increase the ability with a set of commands for special construction work such as walls, doors, windows, stairs, trusses and many more, including Library CAD Block for added convenience to finish work quickly and reduce errors and meet Thai construction standards





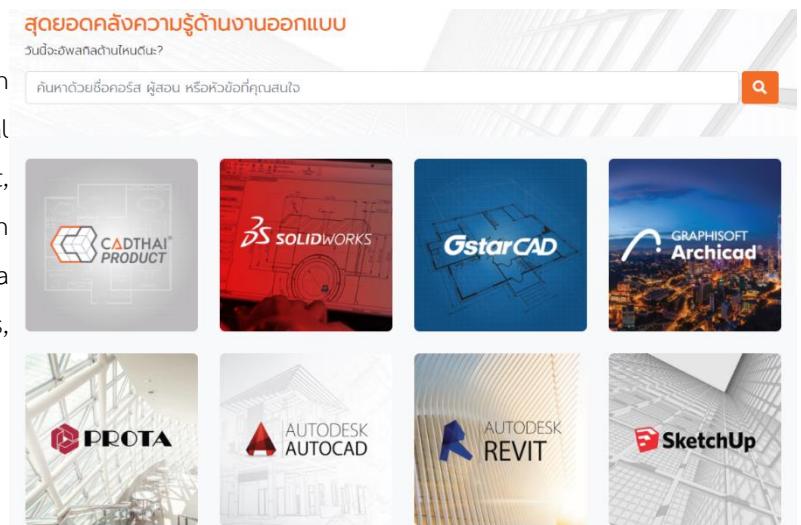
## CADThai Utility for SOLIDWORKS

To install CADThai Utility for SOLIDWORKS to add functionality and to reduce the hectic workflow to complete in one click and also expand working capabilities for Thai people with free downloadable add-ons for Thai SOLIDWORKS users (support SOLIDWORKS 2019 and above).



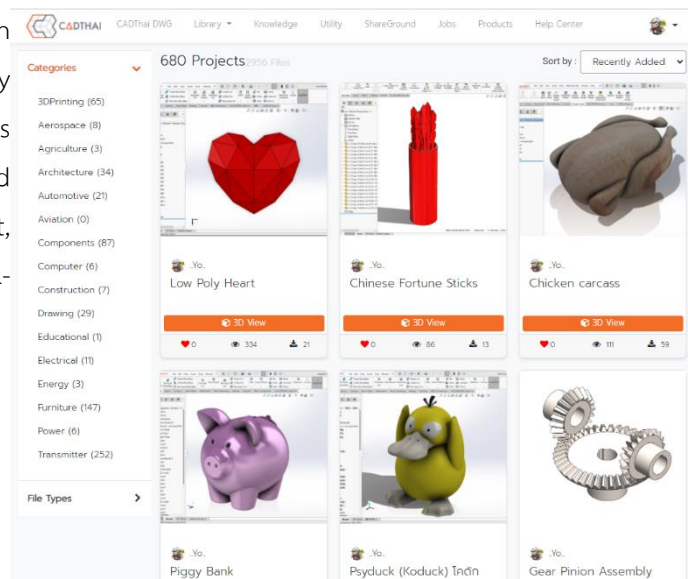
## Knowledge

An online course for using a program in mechanical engineering design and architectural engineering such as SolidWorks, ArchiCAD, Revit, AutoCAD, SketchUp, etc. Students can learn anywhere, anytime with supports access to a variety of devices such as desktop computers, notebooks, tablets or smartphones.



## Shareground

A space for sharing 2 and 3D designs on the CADThai platform that allows you to quickly present and share your work outside as well as being able to preview the work online and Augmented Reality, also known as AR for short, combines the rendering of 3D models with real-world environments.



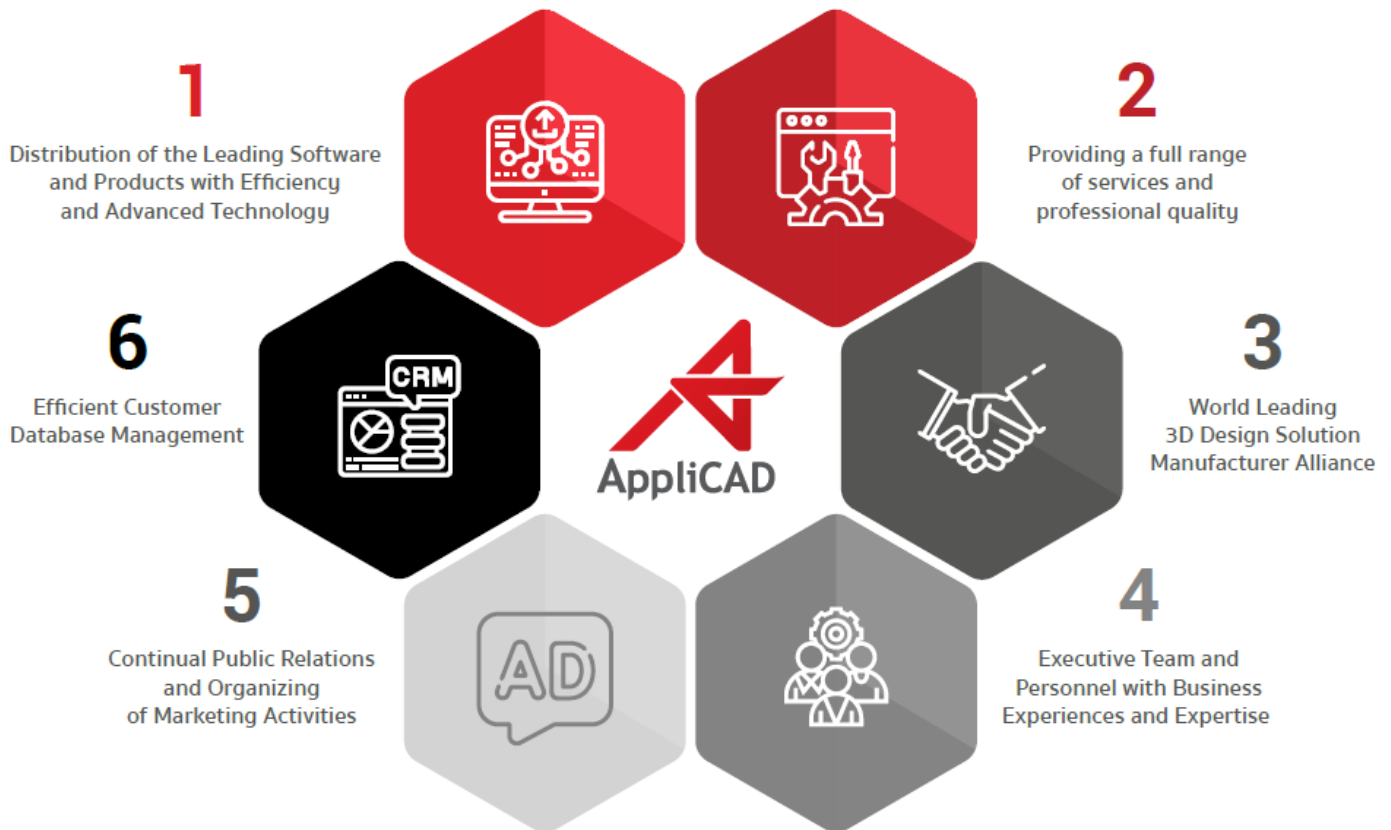


#### 4 Automatic Beverage Mixer

Research and develop department have researched and developed the automatic beverage mixer with robots called Robotendy and can be used by mobile via application. The operation takes less than 1 minute, with constant taste not distorted. There are more than 40 different types of menus available, automatic beverage mixers can be used as a substitute for labor shortages. The Company aims to make a difference and change for the manufacturing and service sectors.

### (2) Marketing and Competition

#### Competitive Strategy



## **1. Distribution of the Leading Software and Products with Efficiency and Advanced Technology**

The Company operates its main business in distribution of 3D design software and products. Therefore, it highly gives precedence to the selection of products, focusing on the software and products with advanced technology and high efficiency from the world leading, well-known, internationally and widely accepted software developers and manufacturers for the competitive differentiation and ability to serve its customers' needs under its requirement of an efficient adaptation in accordance with the rapid changing technologies.

It can be seen that the Company is the distributor of the software for various products which are the world leading software. For instance, SOLIDWORKS developed by DSSW, United States of America, which is the leader of the 3D Industrial design software market, has been a first piece of software which is usable on personal computer, resulting in easy usability and extensive popularity from the users. In addition, ARCHICAD developed by Graphisoft SE, Hungary, is the first piece of 3D Drawing Software of which the development of Building Information Modeling (BIM) Technology has been commenced to be used on personal computer. Moreover, the Company has played the role in offering the advanced innovation that will contribute to upgrade of the domestic design industry to be internationally equivalent. New products, such as 3D Printer in Stratasys Brand from United States of America, as well as 3D Scanner in GOM Brand, Germany, have been selected to be continuously launched into the market. All of them are the popular products with the top market shares of the world. The trust from the said leading software developers and manufacturers on the Company has indicated its potential and ability to well analyze market and customers' needs. In accompany with a vision of the executives and a precise prediction on the tendency of the change in design technology, they have taken part in enhancement of the Company's opportunity to continuously and stably extend the business in the future.

In addition, the Company has also developed its own products based on knowledge, experience and responding to the needs of customers. It has ERP software under the name AppliCAD ERP (APE) for industrial applications and 3D Virtual Services, XR Studio, which provides 3D scanning and modeling services to create product presentations in Virtual Showroom, Virtual Try-On, Virtual Event and Product 3D Animation formats. Moreover, Cloud-centric platform is used to support entrepreneurs and designers of Thailand like CADThai.com by the research and development team of the Company has plans to develop additional products continuously.

## **2. Providing a full range of services and professional quality**

The Company is the distributor of the industrial design software and Architecture Engineering and Construction Design Software, the distributor of 3D Design Products (Hardware) which are 3D Printer and 3D Scanner, and the provider of the related services consisting of Subscription Service, Training Center Service, Prototype Production Service, and Customized Design Service. Therefore, the Company can entirely serve the

customers' needs and access to the various target groups which are private companies in industrial groups, architects, real estate developers, contractors, educational institutions, or Government Agencies.

Moreover, the Company also aims at the quality customer services. The said service starts from Pre-Sale whereas the sales section officer inquires the customer's need, and then collaborates with the technical section officer to offer a solution which can properly and efficiently serve the customer's need, and demonstrate the actual usability of software and/or products to the customer for viewing the parts sample acquired from the actual usability as a decision support of its customers. After the customer's selection to purchase software or product, the Company shall organize training, focusing on transfer of the basic knowledge and essential skills in usability by an expert. This will contribute to the ability of the user to actually apply knowledge acquired from training in working. The software version service is provided to ensure that the customer can work at full capacity, and assistance service is provided by the technical specialists who are knowledgeable, proficient, and experiences, and passed for training and certified by the product owner. The said technical specialists are ready for quickly and efficiently giving counsels and advices, and solving problems through various service channels whether being by phone, e-mail or online system, and entering for the onsite problem solving at the customer's premise, resulting in the customer's confidence and trust on the continual use of the Company's services.

### **3. World Leading 3D Design Solution Manufacturer Alliance**

Due to the expertise and leadership of the Company in one stop distribution business of 3D Design Solutions in Thailand, the Company has been continuously relied by more world leading product owners consisting of SOLIDWORKS, ARCHICAD, 3D Printer in Stratasys Brand or 3D Scanner in GOM Brand, to appoint it to be their distributors, Nevertheless, the Company establishes a policy for building the long-term relationship with product owners, and cooperating under the business alliance concept, sharing of information, mutual formulating business strategies. With good relationship with business alliances, the Company is always supported in body of knowledge relating to technologies and products, and tendency of the change in the related technologies, contributing to the well enhancement of its competitiveness. Moreover, the Company is able to manage sales volume to have a continual growth, and efficiently fulfill the product owners' policies, particularly for SOLIDWORKS-related software and services, until distribution license of SOLIDWORKS has been additionally granted in Myanmar and Indonesia. From the aforesaid factors, they have reflected the continuity of the business operations under the strong and secure collaborations with the product owners.

### **4. Executive Team and Personnel with Business Experiences and Expertise**

The Company's executive team mostly consists of the experienced persons in the distribution business of 3D Design Solution for over 25 years' period, resulting in the availability of knowledge and expertise to cover all fields whether being technologies in design, product supply, marketing, as well as understanding on the users' needs; and the ability to efficiently formulate the marketing strategies and management guideline in

various fields. Moreover, the distribution business of 3D Design Solution is a business relying in the personnel with the technological knowledge and expertise, and well understanding on usability of software to ensure that software or solutions can be offered to serve the customers' needs for maximum satisfaction. The Company's personnel in part of Technical Support must be trained and certified by the product owners. In addition, the Company also establishes a supporting policy for the sales team to be certified by the product owners to ensure that its personnel have knowledge and profoundly understand the products offered to the customers for the need fulfillment and provision of advices on solving the complicated problems of the users in efficient and quick manners. Therefore, the Company is continuously and consistently trusted by its customers all the time.

### **5. Continual Public Relations and Organizing of Marketing Activities**

The Company regularly emphasizes on organizing the marketing activities for public relations of its products to be recognized through a main channel such as online channel. Due to a changing behavior of the target groups in more acquisition of the news information through an online channel, therefore, the Company aims at the developing the public relations pattern to access the target groups, and producing the useful contents for creating the understanding on its technologies and products, and aiding in developing the customer designing potential. Other than the said online channel, the Company also continuously organizes the seminar events and innovation exhibitions. The Company will yearly organize the innovation exhibitions of the core software of which it is the distributor in order to debut the new versioned software, such as ARCHICAD Thai BIM Conference Event organized in the third quarter of every year and SOLIDWORKS Innovation Day organized in the fourth quarter of every year which is now renamed as AppliCAD's 3D Experience SOLIDWORKS Day. Both events are the innovation exhibitions which are interested for participating by a lot of people which are the current customers and the group of those interested in 3D Design Software. This well indicates the leadership of the Company in design technology.

In addition, the Company also yearly participates in exhibitions such as Metalex Event and Manufacturing Expo Event, etc., resulting in the opportunities to meet and share the information with the target groups which are direct customers, product owners, and distributors of the related products. Therefore, the Company's products can be increasingly recognized, contributing to its ability to expand its market to cover wider customer bases. Other than this regard, the Company can acquire the news information of the new movements, innovations and technologies of the related industries from the exhibition participation. It can assess the tendency of the changing technological development and quickly respond to the said changing trend.

Moreover, the Company also gives high precedence to educational sector and establishes a policy for continuously focusing and supporting the use of software and/or products in the educational sector to enhance the user bases of its software and/or products, and distribute for extensive industrial usability,

contributing to an increase in its customer bases in the future. At present, software products distributed by the Company have been used as the instruction media in the educational institutions nationwide

## **6. Efficient Customer Database Management**

The Company gives high precedence to the customer database management and information technology system is applied as aid in customer database management both of the customers that have ever purchased products and/or services of the Company, and the persons that are expected to be the customers. The Marketing Department has collected and screened from those interested in products and services of the Company from various channels from seminar event, public relations event, and online media channel whether being the Company's website, and social media. The sales team shall appropriately use such database for analyzing and offering products and services to meet the needs of each group of customers.

In addition, the Company also systematically applies such information system in its sales process management under continual monitoring of the selling opportunity progress, and applies in monitoring after sales services, and managing after sales relationship with customer groups. This shall help the salespersons to enable to efficiently work and help the executives to enable to supervise, manage, and define strategies so that the setting target can be properly attained.

### **Distribution and Distribution Channel**

The Company's distribution channels of the products and services can be classified into 2 types based on the nature of the customer as follows;

#### **1. Distribution of Products and Services to the Entrepreneurs and General Customers**

The sales team of the Company is responsible for supervising the distribution of the products and services to the customers which are the entrepreneurs and general customers. The sales team is classified into type of products and services, of which the different specific knowledge and expert must be used. The Sales Department shall contact and make the appointment with the customer to inquire for recognition of the customer's needs. After that, the Sales Department together with the officer of the Technical Support, shall offer the solution that can serve the customer's need, and demonstrate the actual usability of software to make the customer confident on the Company's products, and can actually serve the user's working.

Other than the distribution of products through sales team, the Company's online distribution channel is through [www.8baht.com](http://www.8baht.com), which is the Company's website of which the customers can conveniently select to purchase software through website. The products distributed through the said online channel are basic software for general usability, such as Adobe, Microsoft Windows, ESET Anitivirus, etc.,

#### **2. Distribution of Products and Services to the Educational Institutions and Government Agencies**

The distribution of the products and services to the educational institutions and government agencies is mostly in the nature of project work using procurement method in accordance with the official regulation. The period of delivery and installation for the said projects is short. The Sales Department for the educational

institutions and Government Agencies is in charge of monitoring the news information of bidding opening of the educational institutions and Government Agencies, and considers the customer's needs by studying on TOR (Term of Requirement in details together with the Technical Support for considering the participation in making a bid, and preparing documents, such as list of the details of durable articles, technical documentation, etc. for submission of quotation in the scheduled date and time through E-Bidding System or submission of bidding envelopes depending on the regulation or requirement of each customer.

However, the bidding participation is in the nature of self-bidding participation by the Company, and bidding participation through business alliance. The alliance shall purchase products and services of the Company for distributing together with the alliance's products and services or with other distributors in accordance with the customer's requirement

#### **Nature of the Customer and Target Customer Group**

The customers of Company and its subsidiaries can be classified into different groups as follows;

- 1. Industrial Manufacturing Customers** mean the business operators in the manufacturing-related business, such as automotive, electronics parts, electric appliances, petrochemical, energy, machine, and industrial material industries, etc., for instance, Siam Kubota Corporation Company Limited, Panasonic Manufacturing (Thailand) Company Limited, Toyota Motor (Thailand) Company Limited, Hitachi Compressor (Thailand) Company Limited, Magnecomp Precision Technology Public Company Limited, etc.
- 2. Construction Industrial Customers** means the business operators in the real estate and construction-related industries such as contractor, real estate developer, and construction materials, for instance, Italian-Thai Development Public Company Limited, SCG Cement-Building Materials Company Limited, Siam Multi Cons Company Limited, and J.S.P. Property Public Company Limited, etc.
- 3. Software and solutions business customers** mean the business operators related to software distribution and/or related solutions, most of which buy the Company's products to sell in conjunction with their products and services.
- 4. Educational Institutions and Government Agencies** mean the customers which are the educational institutions and Government Agencies. The procurement method in accordance with the official regulation is used in most procurements of this customer group. Such agencies include university, school, and research institute, as well as the related administrative agencies such as Pathumwan Institute of Technology, Chulalongkorn University, Sukhothai Thammathirat Open University, Sirindhorn International Institute of Technology, Thailand Institute of Scientific and Technological Research, and Office of the Permanent Secretary for Science and Technology, etc., including the entrepreneurs which are the business alliance in bidding participation.
- 5. Foreign Customers** mean the customers in Indonesia derived from the business operation of APP Indo.

**6. General Customers** mean the customers that operate their businesses in other industries, such as information technology business, food business, and gem and jewelry business; and the customers that are a natural persons and freelancers.

### Industrial Situation

During 2023-2025, the Thai economy is expected to grow at an average annual rate of 3.5%, higher than the core economy. The main driving forces are: (1) The accelerated growth of tourism has had a positive impact on employment, although it takes time. It is estimated that by 2025, the number of foreign tourists will return to the normal level before the outbreak of COVID-19 (2) With consumer confidence in spending, the recovery of the labor market and the spending of high-income groups, private consumption has gradually increased. The expenditure of low-income groups will be limited by the high cost of living and household debt problems, which may cause additional burden due to interest rate increases. (3) According to the recovery of tourism and related businesses, private investment, especially the service industry. This includes investment in the industrial sector based on the gradual growth of businesses related to improving the ability of enterprises to enter the digital economy. The government is expected to accelerate the promotion of bioeconomy - circular economy - green economy (BCG model) and large-scale infrastructure investment. In particular, projects supporting the Eastern Economic Corridor (EEC) have set investment targets for 2023-2027. 2.2 trillion baht (4) Although the growth rate has slowed since 2022, exports are still growing. In the conflict between superpowers, global trade slowdown and globalization are the pressure factors. However, exports from some markets or groups may help alleviate the slowdown in exports, for example, exports to ASEAN are still growing. Including exports, agricultural and food groups are necessary commodities, and some groups can replace commodities affected by the Russian-Uzbekistan crisis.

Increasing Thailand's service sector to GDP ratio may be slow due to (1) a lack of readiness for technology-related workforce skills; Therefore, there is a lack of impetus for developing new innovations and a lack of suitable environment (Ecosystem) such as research and development and infrastructure to facilitate (such as regulations, technology, funding, incentives, and insights); and (2) Thailand has relatively more regulations and policies that impede foreign investment in services compared to developed countries which reflected from the Service Trade Restrictiveness Index by OECD in 2021, Thailand ranked 49th from a sample group of 50 countries, indicating that the limitations in entering the service sector in Thailand are almost higher than competitors in every fields. This limits the entry of capital and technology. As a result, it affects the development of technology and innovation in the Thai service sector. It is a challenging factor for the government and the Thai business/industry sector to develop into a service-driven economy. (Service-based Economy) for sustainable growth in the future.

The outlook for Thai industry in 2022-2024 is expected to recover gradually from the economic activities of the private sector for both of the recovery in the service sector and the continuous expansion of the manufacturing sector. This is a result of increased vaccination, relaxation of control measures opening the country. However,

the risk and uncertainties persist, such as the COVID-19 mutation, manufacturing supply bottlenecks, inflation and economic sanctions.

The proportion of service sector in Thailand still has an opportunity to increase as a result of service sector businesses turning to modern technology to develop more innovations in the service sector, for example, the development of an online platform that facilitates access to tourist attractions around the world. Development of surgical robots for patients and remote surgery services while the industrial sector has turned to focusing on using innovations in services to add value and differentiate products Service, such as design and consulting services using Artificial intelligence and Big data technologies which can help increasing sales and designing new products that meet the needs of consumers more precisely. As a result, the service sector will play a greater role in the Thai production chain.

Modern technologies are becoming increasingly important in industrial sector restructuring to maintain competitiveness. Digital technology is an important fundamental factor in driving value creation in the manufacturing and service sectors under the new normal of competition that focuses on sustainable growth based on stability in the global supply chain and responding to environmental conservation trends especially in terms of energy savings. The main technologies that will play a role in the business sector in the next 3 years are:

**The Internet of Things (IoT):** It plays a role in linking information of everyday equipment and smart factory machinery, especially in the electronics industry, automotive equipment parts electrical appliance and medical devices through the Sensors system, including use in service businesses such as hotels, hospitals and logistics. With the development of a wider 5G network, IoT can process machine learning data through sensor systems much faster.

**Robotics:** The application of robots is becoming more widespread in the manufacturing and service sectors, especially automotive production, Health service business and logistics. With the use in automated applications that require high precision. Fortune business insights expects the global robotics market to grow by around 10% per year between 2020 and 2028. However, the cost of fully deploying robots in the manufacturing sector is still high. Most factories are still being applied in the form of Cobots (Collaborative robots), which are working with people.

**Artificial intelligence (AI):** The use of artificial intelligence in industry is often combined with other technologies such as cloud and IoT to process big data. For example, the automotive and electronics industry uses AI to reduce waste from production. Medical groups use it to track disease outbreaks. Real estate business uses it to design building structures, including modern retail businesses to assess the direction of customer needs, etc.



**5G technology:** 5G networks are increasingly used for commercial purposes, especially for robots and unmanned aerial vehicle mechanisms that control manufacturing, agriculture and construction, including telemedicine service system. Next Move Strategy Consulting, the global 5G infrastructure market is expected to grow by 66.0% per year during 2020-2030. While, the Thai government will promote the development of 5G network to digital infrastructure through cloud connection, AI and Metaverse platforms to support new industry investment plans using advanced S-curve technology in manufacturing and service industries.

**Drone:** The remotely controlled drone reduces the dependence on labor force and reduces the time of field investigation, especially in the agricultural sector and the construction in dangerous areas, including being increasingly used in logistics business for vertical take-off and landing of goods powered by electric systems. Drone technology is currently being widely applied to develop unmanned flying vehicles in Japan, China and Europe.

**Blockchain:** Data recording technology with network connection to support high security transactions. At present, it has been applied to many industries, not just finance, especially national retail, transportation and manufacturing. Digital Identity predicts that by 2022, the global blockchain business will reach US \$11.7 billion and increase to US \$20 billion in 2024.

**3D printing:** The technology to control product design and production at a lower unit cost. Therefore, it helps to improve competitiveness and supports markets that focus on mass production of consumer diversity products at attractive prices. Mass customization also plays a greater role in the supply chain of industrial sectors such as auto parts and electronic products, medical equipment, including construction business, such as printed floor, wall and roof components.

## Digital Services and Software

### Trends 2023 - 2025

Revenue from digital services and software business over the next 3 years is likely to grow continuously at a rate of 19.0-20.0%, with digital services still being the main driver.

**Digital services:** Revenue is expected to continue to grow 22.0-23.0% from (1) private companies increasingly competing to serve customers through platforms and (2) new technologies, especially Metaverse and AI, enable the development of platforms that support multiple services with more styles. The businesses with high growth potential are in e-Retail, e-Logistics, Online media and Fintech.

**Software and Software Services:** Revenue is likely to increase 11.0-12.0% from the expansion of cloud technology along with the development of more comprehensive 5G networks which is conducive to the Cloud-based Software as a Service (SaaS) service system, supporting the private sector's adaptation to digital transformation. It is more concentrated throughout the production and service chain and make both large

companies and SMEs to invest more in enterprise software. Businesses with high growth potential include SaaS, Software integration & consultation.

**Digital Content:** Revenue is likely to increase by 12.0-13.0% because the game business will continue to grow (1) develop online games using new technologies, for example, blockchain collects projects in the form of digital coins and converts them into income, and (2) the government's e-sports promotion policy, while animation business with the increase of entertainment activities in partner countries, especially streaming media via the Internet (Over-the-Top platform), Character has a recovery direction: OTT) growth.

Source: Thailand Business and Industry Outlook 2023-2025 Krungsri Research Center

### Competitive Situation of the Domestic Software Business

For the competition in software distribution business, each entrepreneur has distributed software with the various and different usability functions to serve the user's needs in each area, such as office software, accounting software, Enterprise Resource Planning (ERP) software, and design software, etc. The design software which is a core product of the Company is a specific software. This type of software is often software developed by the foreign software developer and distributed through the distributor in Thailand. Most of the distributors have been the non-exclusive distributors, resulting in competition between each software distributor. Other distributors of the core software of which the Company are the distributors are as follows;

- SOLIDWORKS : Metro Systems Corporation Public Company Limited
- ARCHICAD : Team Consulting Engineering and Management Public Company Limited, and DCS Associates Company Limited

In addition, the Company has competitive with the distributors of the design software of other product owners. The software which is competitive and comparable with the software distributed by the Company is the software in the Group of Autodesk Inc. which is the developer of the design software both in industrial design software and Architecture Engineering and Construction Design Software, such as AutoCAD (2D Design Software), Inventor (Industrial Design Software), and Revit (Architecture Engineering and Construction Design Software). Total of twelve distributors in Thailand for the software in the Group of Autodesk Inc. have been appointed as follows;

- |   |  |
|---|--|
| 1. Synergysoft Solution Company Limited             | 7. CCM Systems Company Limited             |
| 2. VR Digital Company Limited                       | 8. Twoplus Soft Company Limited            |
| 3. M Technologies (Thailand) Company Limited        | 9. Padee Innovation Company Limited        |
| 4. SVOA Public Company Limited                      | 10. Bhatara Progress Company Limited       |
| 5. I.T Solution Computer (Thailand) Company Limited | 11. NR Automation Systems Company Limited  |
| 6. Cadcamthai Company Limited                       | 12. Advance Inter Solution Company Limited |

However, in competition with other entrepreneurs, the Company mainly focuses on differentiation, and emphasizes on customer service, whether being a preparation of the personnel with knowledge, competence, and attention in efficiently solving problems for the customers who are the users, and providing one stop services in various areas, whether being Subscription Service, Prototype Production Service, and Training Service, etc., to ensure that the customer's needs on design solutions are fulfilled.

### (3) Supply of Products and Services

#### 3D Design Products

The supply of products has been deemed as a key of the business operation of the Companies adhering to creation of the maximum customer satisfaction throughout over 28 years ago. The Company and its subsidiaries have been continuously appointed to be the distributors of both 3D MEC and Architecture Engineering and Construction Design Products from the international accepted leading product owners. In addition, the executive teams of the Company possess knowledge, expert, and experiences in the 3D design solutions distribution industry for long time, has considered selecting the products offered to the customers to ensure that the customers receive the quality products with advanced technology as per the following details.

##### (1) Software Products

###### a. Software of which the Company is not a distributor

Most of the distributed core software is the software of which APP and APP Indo have been directly appointed to be the distributor from the product owner, and shall directly order software with the foreign product owners in accordance with the purchase orders of their customers. APP and APP Indo shall acquire Serial Number from the product owner to activate software. An after sales services team shall install software for their customers for the software availability.

The term of the distributor agreement of software acquired by APP and APP Indo from the product owners is 1-3 years, and most of the distribution licenses are non-exclusive as the general trade terms in software business. However, due to the good relationship of the Company with the product owners for long time in accompany with its ability to efficiently fulfill the policies, this makes the executive assured of trust from the product owners to continuously be the distributors in long run.

The details of software of which APP and APP Indo have been appointed to be the distributors are as follows;

#### 1. Industrial Design Software

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
SOLIDWORKS/ 3DEXPERIENCE Public Cloud/ 3DEXPERIENCE	Dassault Systemes Singapore Pte. Ltd.	Singapore	Non-exclusive	24 NOV 2022 - 31 DEC 2022; an automatic renewal of 1 year per term	APP

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
WORKS/ 3DEXPERIENCE SOLIDWORKS/ SIMULIAWorks/ DELMIAWorks			Non-exclusive	1 FEB 2020 - 31 DEC 2021; an automatic renewal of 1 year per term	APP Indo
SolidCAM	SolidCAM Ltd.	Israel	Non-exclusive	2 years-term (31 MAR 2022 - 30 MAR 2024)	APP
SolidPlant	AH Holding B.V.	Netherlands	Non-exclusive	23 FEB 2018 - 31 DEC 2020; and an automatic renewal of 1 year per term	APP

## 2. Architecture Engineering and Construction Design Software

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
ARCHICAD	Graphisoft SE Private European Company Limited by Shares	Hungary	Non-exclusive	3 years-term (19 JUN 2021 - 18 JUN 2024) automatic renewal for 1 year but not more than 2 years each time (from 19 JUL 2024 to 18 JUL 2026)	APP
			Non-exclusive	3 years-term (19 JUN 2021 - 18 JUN 2024) automatic renewal for 1 year but not more than 2 years each time (from 19 JUL 2024 to 18 JUL 2026)	APP Indo
GstarCAD	Gstarsoft Co., Ltd.	China	Exclusive	3 years-term (1 NOV 2021 - 31 OCT 2024)	APP
			Exclusive	3 years-term (1 AUG 2021 - 31 JUL 2024)	APP Indo
CADProfi	CADProfi Germany GmbH.	Germany	Exclusive	Indefinite term of the agreement (the effective date of the agreement on 19 MAR 2019)	APP
CADEWA	Fujitsu Shikoku Infortec Limited	Japan	Non-exclusive	1 year term (1 DEC 2019 - 30 NOV 2020) and an automatic renewal of 1 year per term	APP

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
EPTAR	Éptár Kft.	Hungary	Non-exclusive	1 year term (1 JAN 2020 - 31 DEC 2020) and an automatic renewal of 1 year per term	APP
Solibri	Solibri Inc	Finland	Non-exclusive	1 year term (1 APR 2020 - 31 MAR 2021) and an automatic renewal of 1 year per term	Solibri
			Non-exclusive	1 year term (28 APR 2020 - 27 APR 2021) and an automatic renewal of 1 year per term	APP Indo
ExtrAXION	Alconsoft SA	Greece	Non-exclusive	1 year term (21 AUG 2015 - 20 AUG 2016) and an automatic renewal of 1 year per term	APP
Twinmotion	Epic Games Inc.	USA	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 1 MAY 2020)	APP APP Indo
Artlantis	Abvent S.A.	France	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 30 MAR 2018)	APP
V-Ray	Chaos Software Ltd.	Bulgaria	Non-exclusive	1 year term (2 JAN 2018 - 1 JAN 2019) and an automatic renewal of 1 year per term	APP
Rhinoceros	McNeel Asia	USA	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 1 APR 2018)	APP
Zbrush	Pixologic Inc.	USA	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 14 SEP 2016)	APP
Lumion	Act-3D B.V.	Netherlands	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 22 MAR 2019)	APP Indo
Oracle Primavera	Oracle Corporation	USA	Non-exclusive	2 years-term (3 SEP 2018 - 2 SEP 2020) and an automatic renewal of 1 year per term	APP
Prota	Prota Asia Pte Ltd	Singapore	Exclusive	1 year term (7 FEB 2019 - 6 FEB 2020) and an automatic renewal of 1 year per term	APP

b. Software of which the Company is not a distributor

The software of which the Company is not directly appointed as a distributor from the product owner, is software for the general usability, such as Sketchup Pro, Adobe, Microsoft Window, and ESET Aniti Virus. The Company shall order from the appointed distributor in Thailand for delivering to its customers.

(2) 3D Printer and 3D Scanner Products

a. **3D Printers and 3D Scanners of which the Company is not a distributor**

In supply 3D Printer and 3D Scanner products, the Company shall select the products from the manufacturers which are accepted in quality and the market leaders. The Company has been appointed as a distributor of 3D Printer and 3D Scanner in Thailand and Indonesia from total of three manufacturers. However, the term of the distributor agreement for 3D Printer and 3D Scanner acquired by the Company from the product owners is 1-2 years and the distribution license is non-exclusive.

Product	Product Owner	Country	Type of License	Term of Agreement	Executed by
Stratasys 3D Printer	Stratasys AP Limited	USA	Non-exclusive	2 year-term (1 APR 2021 - 31 MAR 2022)	APP, APP Indo
MakerBot – 3D printer	Makerbot Industries	USA	Non-exclusive	27 MAY 2020 - 31 DEC 2020 and an automatic renewal of 1 year per term	APP
GOM 3D Scanner*	Gom GmbH.	Germany	Non-exclusive	2 year-term (1 OCT 2020 - 30 SEP 2022) and an automatic renewal of 1 year per term	APP
			Non-exclusive	2 year-term (1 OCT 2020 - 30 SEP 2022) and an automatic renewal of 1 year per term	APP Indo
Artec 3D Scanner	Artec Europe, S.a.r.l	Luxembourg	Non-exclusive	1 year term (4 SEP 2015 - 3 SEP 2016) and an automatic renewal of 1 year per term	APP

Remark: The Company has formally commenced to distribute GOM 3D Printers since 1 January 2019

In part of Stratasys GOM 3D Printer GOM 3D Scanner, the Company will order and import from the foreign manufacturer, upon the Group the Company's receipt of purchasing order from its customer. The approximate lead time of ordering for Stratasys 3D Printer and GOM 3D Scanner are 30 days. However, pursuant to the Notification of the Ministry of Commerce on the Determination of 3D Printer as merchandise which must observe an organization measure of the importation into the Kingdom B.E. 2559 (2016), "3D Printer" is determined to be a merchandise which must observe an organization measure of the importation into the Kingdom. An importer must execute in accordance with the requirement in the Notification of the Department

of Foreign Trade on rule, procedure, and condition for importing 3D Printers into the Kingdom B.E. 2559 (2016) prescribing that the business operator for importing 3D Printers must execute the following.

1. An importer of 3D Printers must apply for the registration as an importer of 3D Printers with the Bureau of Foreign Trade Services, Department of Foreign Trade.
2. Every importation of 3D Printers, an importer must submit the Notification of the 3D Printer Importing Detail to the Merchandise Trade Administration Division, Department of Foreign Trade, at least 15 (fifteen) days prior to importation of the goods.
3. At the end of every June and December in every year, the importer of 3D Printers must notify the details relating to importation, possession, disposal and leasing or hire purchase of 3D Printers. Such report must be submitted within 15 (fifteen) days of the following month to the Merchandise Trade Administration Division, Department of Foreign Trade.

The Company has applied for the registration as the importer of 3D Printer with the Bureau of Foreign Trade Services, Department of Foreign Trade, and has already been registered on 14 July 2016.

#### **Equipment and Consumables of 3D Printers**

To ensure the efficient customer services, the Company must always reserve equipment and consumables of 3D Printers to be sufficient for its customer services. The Company monthly schedules the ordering cycle of equipment and consumables of 3D Printers from the foreign manufacturers and consider ordering based on the determined quantity of minimum Stock. An approximate lead-time of ordering is 7-15 days.

#### **b. 3D Printers of which the Company is not a distributor**

The 3D Printers of which the Company is not a distributor, consist of 3D Printers of Sindoh and XYZ. The Company will order 3D Printers including equipment and consumables of 3D Printers from the manufacturers or distributors which are appointed in Thailand for delivering to its customers.

#### **(3) Computer and Accessories**

The selling of the Company is in nature of Project to the customers which are the educational institutions or government agencies. In the sale contract, it specifies the supply of other equipment which are durable articles, such as computer, tools and equipment, etc. The Company shall order such products in the list of vendors specified in the contract, or from the list of the vendors which have been screened and registered in Approved Vendor List Registration of the Company. In addition, in some cases, the customers will order software of which the Company is a distributor, and order computers and accessories; or a supplier of other software to be used with the software distributed by the Company for the efficient functionality. The Company shall facilitate its customers in supply of computers and accessories, or other software from the domestic distributors which are selected from the list of the distributors which have been passed for consideration on the accepted quality and service, and in the Approved Vendor List of the Company.



### Machines for Prototype Production and Low Volume Production Service

The prototype production and low volume production of RP are the automatic part production being accredited for Quality Management System ISO 9001:2015 from UKAS, England. RP considers selecting to use the different types of machines in accordance with the appropriateness of production for each type of part, using 3D file received from the customer. After completion of production, QC officer will inspect the quality of part produced prior to delivery to the customer. The machines of RP used in prototype production and low volume production are as per the following details.

- 3D Printer: It is the high-resolution machine for the prototype production. The variety of materials whether being thermoplastics or liquid plastics can be selected for using. The machine can rapidly make product model and therefore, it is suitable for the prototype production. RP has had total of five 3D Printers being classified into four set of 3D Printers – FDM, and one set of 3D Printer – Polyjet and 3D printer with SLA system.

- Vacuum Casting Machine: It is a machine for making silicone mold, and injection molding of plastics, and suitable for the low volume production of parts. RP has one Vacuum Casting Machine.

- CNC (Computer Numerical Control) Machine: It is used for milling the metal parts and forming in accordance with a 3D designed file, and suitable for the metal prototype production. RP has one set of CNC Machine.

- Injection machine. It is a machine for injecting plastics to achieve the most realistic workpieces. It will be used with Mold. Plastic molds are capable of injection up to 120 tons. There are many types of materials that can be injected, such as PP ABS POM PP PE TPU, etc. RP has 1 CNC machine.

In respect to supply of equipment and consumables of machines used in production, RP will order by taking into account the determined quantity of Minimum Stock. If the quantity is reduced to the determined minimum quantity, RP will order from the domestic distributor and Lead Time is approximately 3-5 days.

Production capacity for parts of each type of machine can be summarized as follows;

Type of Machine	Production Capacity Utilization	2020	2021	2022
3D Printer - FDM	Yearly Full Production Capacity (Hours)	23,328.00	23,328.00	23,328.00
	Actual Output (Hours)	9,099.52	11,967.26	9,587.00
	Capacity utilization Rate (%)	39.01	51.3	41.10
3D Printer - Polyjet	Yearly Full Production Capacity (Hours)	7,776.00	7,776.00	7,776.00
	Actual Output (Hours)	562.00	622.08	96.00
	Capacity utilization Rate (%)	7.23	8.00	1.30
3D Printer SLA	Yearly Full Production Capacity (Hours)	7,776.00	7,776.00	7,776.00
	Actual Output (Hours)	1,189.00	4,199.00	2,823.00
	Capacity utilization Rate (%)	15.29	54.00	36.31

Type of Machine	Production Capacity Utilization	2020	2021	2022
Vacuum Casting Machine	Yearly Full Production Capacity (Hours)	2,880.00	2,880.00	2,880.00
	Actual Output (Hours)	672.50	938.00	729.00
	Capacity utilization Rate (%)	23.35	32.60	25.31
CNC Machine	Yearly Full Production Capacity (Hours)	2,880.00	2,880.00	2,880.00
	Actual Output (Hours)	1,098.00	1,560.96	1,765.00
	Capacity utilization Rate (%)	38.13	54.20	61.28
Plastic Injection Machine	Yearly Full Production Capacity (Hours)	-	2,880	2,880
	Actual Output (Hours)	-	432.00	717.00
	Capacity utilization Rate (%)	-	15.00	24.89
<b>Total</b>	Yearly Full Production Capacity (Hours)	44,640.00	47,520.00	47,520.00
	Actual Output (Hours)	12,621.02	19,719.30	15,717.00
	Capacity utilization Rate (%)	28.27	41.50	33.07

## Training Center for the Use of Design Software

### 1. Training Center

DETI provides training services for using Design Software. The Design Software used is a piece of Training Licensed Software of which DETI has been supported for the software cost from the software owner. As at 31 March 2019, with total of eight training rooms which can support the maximum number of trainees up to 86 persons.

However, the utilization rate of the DETI Training Center from training rooms is as follows;

	2020	2021	2022
Maximum Number of Trainees that can be supported (Persons/Year)	25,578	25,578	25,578
Number of Trainees (Excluding Onsite training) (Persons)	5,586	6,831	4,264
Utilization Rate from Training Room (%)	21.83	26.70	16.67
Trainees in Part of Onsite Training (Persons)	1,767	249	881
Trainees in Part of Online Training (Persons)	532	5,399	6,449

### 2. Trainer

DETI provides training services by trainer who is knowledgeable, expert, and experienced in applying programs. DETI has currently has ten full-time trainers. All of the trainers are professional and ready both for the teaching technique and real working experience, and expert in use of program. The trainer must be trained and certified from the product owner to indicate the trainer's knowledge and competence, and training quality of DETI.

In addition, DETI has outsourced the special external trainers who have the specific in-depth expertise and experience for transferring knowledge and experience for the advance courses periodically organized by DETI as appropriate for the full and efficient benefits of trainees from the training.

### 3. Training Courses

In considering the training courses opened for teaching, DETI shall mainly take into account the trainee's need. The executives and Head of the Trainer shall regularly consider on adjustment of the courses to be appropriate and consistent with the customer's need, and the trend of change in design technology. In organizing the training courses, the trainer shall define the suitable training content and training period for each type of customer group, and prepare a training supporting manual which must be passed for the consideration of the Head of Trainer. Nevertheless, the manual or documents used in training are the standard coaching textbooks of which DETI has been licensed from the product owners, and the textbooks written by the experts in each specific subject.

### 6. Price Policy

The Company's pricing policy for the selling price of each type of product and service is appropriately based on Cost Plus Margin, taking into account the competitive situation and the comparable level of product price both in domestic and foreign market, and product acceptance of each group of customers. The quality and technology of products, and the efficient after sales services are considered.

#### (4) Assets used for business operations

##### Details of assets used for business operations

As at 31 December 2022, the Company and its subsidiaries have the assets used for business operations as follows;

Type and details of assets	Ownership	Obligation As at 31 December 2022	Net Book Value (Million baht)
Land - the headquarters of the Company Deed No. 248953, Phra Khanong, Bangkok The total area of 364 square meters (91 square Wa)	Possessed	-	9.94
Land - the headquarters of the Company Deed No. 223940, Phra Khanong, Bangkok The total area of 412 square meters (1 Ngan and 3 square Wa)	Possessed	During the process with Commercial Bank	9.97
Building and building improvements	Possessed	-	40.36
Office equipment	Possessed	-	9.50
Equipment	Possessed	-	33.10
Vehicles	Possessed	-	4.08
<b>Total</b>			<b>106.95</b>

## Distributor Agreement of the Company

Parties	: Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 24 November 2022
Objective	: The Company has the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Thailand and Myanmar as well as the rights of branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).
Period	: From 24 November 2022 to 31 December 2022 If the Licensor and Licensee do not notify the termination of the contract at least 2 months in advance, the contract is automatically renewed at a time for a year However, as of 1 January 2023, the Company has been renewed for additional rights until 31 December 2023.
Conditions for Termination	: <ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.</li> <li>2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.</li> </ol> <p>The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.</p>

Parties	: Graphisoft Asia Limited as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 18 October 2021
Objective	: The Company has the right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Thailand as well as the rights of documentation, branding and marketing.
Period	: 3 years; from 19 July 2021 to 18 July 2024 If the Licensor and Licensee do not notify the termination of the contract at least 1 month in advance, the contract is automatically renewed at a time for a year but not over two years However, as of 19 July 2024, the Company has been renewed for additional rights until 18 July 2026.

- Conditions for Termination :
1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.
  2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for the second consecutive quarter. Unless the purchases of their target are from a result of the overall economy.
  3. The Licensee is protected, liquidated or bankrupted.
  4. A change in control of the affairs of the Licensee.

Parties	:	Gstarsoft Co., Ltd. as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	1 November 2021
Objective	:	The Company has the right to distribute GstarCAD as Exclusive in Thailand and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.
Period	:	3 years; from 1 November 2021 to 31 October 2024
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.</li> <li>2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.</li> </ol>

Parties	:	Stratasys AP Limited as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	1 April 2021
Objective	:	The Company and its subsidiaries have the right to be the distributor of 3D Printer under Stratasys as Non-Exclusive in Thailand and Indonesia.
Period	:	2 year-term from 1 January 2021 to 31 March 2023
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. Either party may terminate the contract by informing the other party 30 days in advance.</li> <li>2. The Licensor may terminate the contract by written notice to the Licensee. In the event that Licensee breaches any of the terms of the contract and the inability to resolve such an event within at least 10 days from the date of receiving the notice.</li> </ol>

Parties	:	GOM GmbH. as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	1 October 2020
Objective	:	The Company has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Thailand.
Period	:	2 years from 1 October 2020 to 30 September 2022 If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year at a time.
Conditions for Termination	:	The Licensee may terminate the contract if the following occurs; <ol style="list-style-type: none"> <li>1. A change in control of the affairs of the Licensee having the negative impact on the business.</li> <li>2. Breaches any of the terms of the contract especially violation of payment term.</li> <li>3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.</li> </ol>

#### Distributor Agreement of PT. Indonesia AppliCAD

Parties	:	Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor” PT Indonesia AppliCAD as “Licensee”
Date of contract	:	1 February 2020
Objective	:	PT Indonesia AppliCAD the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Indonesia as postal code specified in the contract as well as the rights of branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).
Period	:	1 year from 1 February 2020 to 31 December 2021 If either party does not inform the termination of this contract at least 60 days in advance, the contract will be automatically renewed for 1 year at a time. However, as of 1 January 2022, the Company has been renewed for additional rights until 31 December 2022.
Conditions for Termination	:	1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.

2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.
3. The Licensee is protected, liquidated or bankrupted.
4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.

The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.

Parties	:	Graphisoft Asia Limited as "Licensor" PT Indonesia Applicad as "Licensee"
Date of contract	:	18 July 2021
Objective	:	PT Indonesia Applicad has to right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Indonesia as well as the rights of documentation, branding and marketing.
Period	:	3 years; from 19 July 2021 to 18 July 2024  If the Licensor and Licensee do not notify the termination of the contract at least 1 month in advance, the contract is automatically renewed at a time for a year but not over two years  However, as of 19 July 2024, the Company has been renewed for additional rights until 18 July 2026.
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.</li> <li>2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for two consecutive quarters. Unless the purchases of their target are from a result of the overall economy.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. A change in control of the affairs of the Licensee.</li> </ol>

Parties	:	Gstarsoft Co., Ltd. as "Licensor" PT Indonesia Applicad as "Licensee"
Date of contract	:	1 August 2021
Objective	:	PT Indonesia Applicad has the right to distribute GstarCAD as Exclusive in Indonesia and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.



Period	:	3 years from 1 August 2021 to 31 July 2024
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.</li> <li>2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.</li> </ol>

Parties	:	GOM GmbH. as “Licensor” PT Indonesia Applicad as “Licensee”
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Date of contract	:	1 October 2020
Objective	:	PT Indonesia Applicad has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Indonesia.
Period	:	2 years from 1 October 2020 to 30 September 2022 If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year.
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. A change in control of the affairs of the Licensee having the negative impact on the business.</li> <li>2. Breaches any of the terms of the contract especially violation of payment term.</li> <li>3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.</li> </ol>

### Investment Policy in subsidiaries and associated companies

The Company will invest in companies with the same business objectives as the Company's core business or similar business or business supporting the Company's business which will increase its turnover or profitability or invest in synergy businesses for the Company by supporting the Company's core business operations to increase the Company's competitiveness. The Board of Directors may consider investing in other businesses than the Company's core business. If the Board of Directors sees such business as a potential business and such investment is beneficial to the Company and its shareholders.

To supervise the subsidiaries and associates, the Company will send directors or executives with the right qualifications and experience to conduct business to represent the management of the subsidiary and its associates to formulate important policies and control the business of such subsidiaries and/or associates. Directors representing the Company shall act in supervising subsidiaries and/or associates to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or the meeting of shareholders of the Company to approve the critical matters of subsidiaries and/or associates to maximize the benefit of the Company and to achieve sustainable growth of the Company.

### (5) Undelivered Works

- None

### 1.3 The Company's structure

#### 1.3.1 The Company's structure

Recently, the Company's structure is as follows;



Remarks: \*

- The Company hold the shares in Series B of PT. Indonesia AppliCAD as 180,900 shares or 67% of the total paid-up shares. According to the Articles of Association of PT. Indonesia AppliCAD, the Company was entitled to receive the dividend of 95% from the total dividend as holding shares in Series B announced by PT. Indonesia AppliCAD.
- The remaining shares of PT. Indonesia AppliCAD or 33% held by Mr. Ibnu Afi Sena, the director of PT. Indonesia AppliCAD, does not have any relationship with the shareholder, committee and executive director of the Company. However, the Company has made the Shareholders' Agreement between Mr. Ibnu Afi Sena and the Company to grant the right to the Company to provide the first buyer (First Rights). If the Company could not provide any buyers, Mr. Ibnu Afi Sena would have the right to sell the shares of PT. Indonesia AppliCAD to anyone who requests to purchase them under the laws of Indonesia. The shareholders who request to sell the shares are requested to inform PT. Indonesia AppliCAD and the request must be approved by the meeting of shareholders.

## Information of Subsidiaries

### **1. DETI Company Limited (“DETI”)**

DETI was registered as a company on 26 September 2001 under the name of ETC Service Company Limited with the registered capital of 1 million baht which could be classified as 10,000 of the ordinary shares as the par value of 100 baht and on 25 December 2012, the Company purchased 9,998 shares of ETC Service Company Limited or 99.99% of the total paid-up shares. In 2016, ETC Service Company was changed the name to DETI Company Limited.

DETI provides the training service of the mechanical and engineering design software and architectural engineering and construction design software. DETI was appointed as SolidWorks Authorized Training Centers from Dassault Systèmes SolidWorks Corporation and was also appointed as the Authorized Training Center from Autodesk, Inc., including Authorized SketchUp Training Center from Trimble Inc. Currently, DETI has 8 training rooms and could accommodate up to 86 trainees.

### **2. Rabbit Prototype Company Limited (“RP”)**

RP was registered as a company on 11 February 2011 with the registered capital of 5 million baht which could be classified as 50,000 of the ordinary shares as the par value of 100 baht and on 25 December 2012, the Company purchased 40,000 shares of RP from the shareholder or 80% of the total paid-up shares. After that on 26 November 2018, the Company also purchased more 9,998 shares increasing the shareholding proportion to 99.99% of the total paid-up shares of RP.

RP provides the business of prototyping and low volume production with the advanced technologies such as 3D Printers, Vacuum Casting and CNC machine.

### **3. PT Indonesia AppliCAD (“APP Indo”)**

APP Indo was registered as a company on 12 July 2013 with the 99% of total paid-up shares held by the Company. However, due to the change in the laws of Indonesia regarding the shareholding proportion of foreign shareholders of Distributor’s sale not affiliated to production, it is specified that the maximum the shareholding proportion of foreign shareholders should not be over 67% of the total paid-up shares. Therefore, the Company had to reduce the shareholding proportion in PT. Indonesia AppliCAD to conform to the laws of Indonesia. Currently, APP Indo has the paid-up capital of 3,186,000,000 rupiah or USD 270,000 which are 270,00 ordinary shares as the par value of USD 1. The Company holds 180,900 shares or 67% of the total paid-up shares of APP Indo.

Moreover, in May 2019, APP Indo reclassified the shares as the registration of amendment of the Articles of Association into Series A as 89,100 shares or 33% of the total paid-up shares held by Mr. Ibnu Afi Sena and Series B as 180,900 shares or 67% of the total paid-up shares held by the Company and it also has the rights to the shareholder of Series B to receive the dividend before the shareholder of Series A at the rate of 95 percent of the dividend announced by APP Indo. So that, Mr. Ibnu Afi Sena does not have any relationship with the shareholder, committee and executive director of the Company, however he currently is the executive

director of PT. Indonesia AppliCAD and the Company has made the Shareholders' Agreement with Mr. Ibnu Afi Sena that the Company has the right to provide the first buyer (First Rights). If the Company could not provide any buyers, Mr. Ibnu Afi Sena would have the right to sell the shares of PT. Indonesia AppliCAD to anyone who requests to purchase them under the laws of Indonesia. The shareholders who request to sell the shares are requested to inform PT. Indonesia AppliCAD and the request must be approved by the meeting of shareholders.

APP Indo operates the business of the distribution of 3D design solutions in Indonesia such as mechanical and engineering design software, architectural engineering and construction design software, 3D printer, 3D scanner and other related after-sale services.

1.3.2 A person who may have a conflict of interest holding shares in a subsidiary or associated company more than 10 percent of the shares with voting rights of the company.

None

1.3.3 Relationship with major shareholder's the Company

None

1.3.4 Shareholder

The list of first 10 shareholders of the Company at the book closing date on 30 December 2022 is as follows;

List of shareholders	No. of shares	%
1. Group of Tangadulrat Family*	176,865,378	63.17
2. Mr. Chaichat Wanichphak	9,800,000	3.50
3. Thai NVDR Company Limited	7,080,119	2.53
4. Mr. Witoon Ngammekchai	6,028,100	2.15
5. Mrs. Wilai Chiraittiwana	4,928,800	1.76
6. Mr. Somsak Srisuthaskul	3,363,400	1.20
7. Mr. Yothin Nuengchamnong	3,200,000	1.14
8. Mr. Pawaris Surakittidamrong	2,400,000	0.86
9. Mr. Wiroj Kosolthanawong	2,300,000	0.82
10. Mr. Chanapat Apiwanopas	2,230,000	0.80
11. Ms. Thitiporn Chathaisong	2,105,000	0.75
12. Mr. Somchai Kaewkhiao	2,060,000	0.74
13. Other shareholders	57,639,203	20.59
<b>Total</b>	<b>280,000,000</b>	<b>100.00</b>

Remark: Group of Tangadulrat Family consists of the following names and number of shares

1.	Mr. Prapas Tangadulrat	160,015,556	shares	57.15%
2.	Mr. Chisanupong Tangadulrat	9,673,600	shares	3.45%
3.	Mr. Praprut Tangadulrat	2,774,200	shares	0.99%
4.	Ms. Siriwan Tangadulrat	2,108,000	shares	0.75%
5.	Ms. Siriporn Tangadulrat	2,000,000	shares	0.71%
6.	Ms. Wanlaya Tangadulrat	200,000	shares	0.07%
7.	Mr. Prasert Tangadulrat	91,800	shares	0.03%
8.	Mrs. Nawaporn Tangadulrat	2,222	shares	0.00%

#### 1.4 Registered and paid-up capital

As of 31 December 2022, the Company has a registered capital of 140,000,000 baht classified as the ordinary share of 280,000,000 shares at par value of 0.50 baht and paid-up capital of 140,000,000 baht divided into 280,000,000 of the ordinary shares at par value of 0.50 baht.

#### 1.5 Issuance of other securities

○ None

#### 1.6 Dividend Policy

The Company has a policy to pay the dividend to shareholders at a rate of not less than 40% of the net profit as recorded in the Company's Separate Financial Statement after the deductions of the corporate income tax and all legal reserves as required by law. However, the Company may consider the dividend payment differing from the Articles of Association of the Company depending on the Company's results of operations, financial positions, cash flow, necessity of working capital in business management, investment plans as well as economic condition.

The Company may determine the Company's subsidiaries to pay the dividend to shareholders at a rate of not less than 40% of the net profit as recorded in the separate financial statement of the Company's subsidiaries after the deductions of the corporate income tax and all legal reserves as required by law. However, the Company's subsidiaries might consider the dividend payment differing from the Articles of Association of the Company's subsidiaries depending on the results of operations, financial positions, cash flow, necessity of working capital in business management, investment plans as well as economic condition.

## 2. Risk Management

### 2.1 Risk Management Policy and Plan

Risk management working team has performed its duties in accordance with the scope of duties assigned by the Board of Directors and was attended to consider important matters which can be summarized as follows;

1. To determine the appropriate risk management plan and risk management framework which complies with the Company's strategic plan and operations that changing according to the current situation to ensure that the Company is systematically and efficiently managed the risk management.
2. To promote risk learning and risk management for the Company's management and employees on a regular basis in order to emphasize the importance of risk management and to enable the Company to conduct its business in accordance with its targets.
3. To consider the annual risk management plan in which management from all relevant departments conduct risk assessments and prioritize risks, and formulate guidelines for risk response, including developing a plan to manage risks, or to control them appropriately and adequately at an acceptable level.
4. To monitor risk management in order to acknowledge the risk management results and regularly review the Company's risks as to whether there are any other risks increased or changed, and to provide additional recommendations to ensure that risk management is truly effective, and to report the risk management results throughout the organization to the Board of Directors.

From the summary above, the Risk Management Working Team has considered that the risk management is carried out systematically and in accordance with good Corporate Governance, adequate internal control and business suitability, as well as closely monitoring the risks, which is part of enabling the Company to achieve the objectives of implementing the specified business plan and valuing the Company to deliver sustainable delivery to its shareholders and stakeholders.

## 2.2 Risk Factor towards the Company Business

In order to support the Company's objectives and goals, the Risk Management Working Team has analyzed risks from internal factors such as efficiency in operating processes, personnel, and strategies that can meet current business operations and external factors which has been affected by the changing business environment, stakeholder's expectations, competition, trading negotiating power of trading partners and clients, including economic and political trends. The risks factor can be divided into 4 groups as follows:

### 1. Strategic Risk

Risk	Risk Cause	Risk Mitigation Measures
High competitiveness in the Company's business.	The distribution of 3D design software and products is a highly competitive business. both the competition between technology developers and competition between operators who distribute software and/or 3D design products, as well as customer needs and current situations are constantly changing.	<ol style="list-style-type: none"> <li>1. Find the world's leading 3D design software and solutions to meet customers' needs.</li> <li>2. Establish a broader customer base, including engineers, architects, contractors, students and/or educational institutions.</li> <li>3. Pay attention to professional and high-quality after-sales service.</li> </ol>
Technology is evolving and changing rapidly and constantly.	3D design products as well as various related services. This is a business that changes rapidly according to technology that is constantly evolving and changing. Because the current situation can change at any time.	<ol style="list-style-type: none"> <li>1. Find software and products with advanced technology and high efficiency from the world's leading product owners to continuously meet the needs of customers.</li> <li>2. Regularly transfer knowledge and trends or changes in technology.</li> </ol>
Copyright infringement of products of the Company.	The Company's main revenues from software distribution may be affected by copyright infringement issues as well as affect sales and product image at the Company.	<ol style="list-style-type: none"> <li>1. If copyright infringement of the Company has been found, the notification clarification will be sent to the user.</li> <li>2. The Company has created a system to prevent unauthorized reproduction, modification or smuggling of software.</li> </ol>
Dependence on SOLIDWORKS products	If the product owner changes the business model or the Company terminates the reseller contract or does not receive a contract extension, it may affect the Company's revenue and performance, which the right to sell must be renewed annually.	<ol style="list-style-type: none"> <li>1. Formulate strategies, establish customer base, and lead to continuous growth of sales to build trust with Dassault system.</li> <li>2. Establish a good relationship with Dassault system</li> </ol>



Risk	Risk Cause	Risk Mitigation Measures
		3. Develop the Company's own products to meet the needs of the Company's customers or expand their needs.
Economic uncertainty	Due to the current economic situation around the world, there are various uncertainties that affect the global economy, such as the spread of COVID-19, the war between Ukraine and Russia and the conflict between China and Taiwan. Such events may affect the business operations of the customers of the Company. Order has been suspended postpone the order, including extending the payment time. As a result, the sales of the Company decreased, including the service of the Company is lack of continuity.	1. Formulate sales strategies to maintain a strong customer base by focusing on providing customers with satisfactory services. 2. Sufficient cash reserves and lower costs

## 2. Operational Risk

Risk	Risk Cause	Risk Mitigation Measures
Dependency on some personnel	Personnel with expertise and experience in 3D design software and products, as well as must have a good understanding of the customer's workflow in order to offer and provide services that can meet the needs of customers which if employees resign or no one can replace them.	1. Develop skills and knowledge regularly for personnel at all levels. 2. Set appropriate remuneration. 3. A Successor Plan is set. 4. A Training Road Map is set for each position to learn every part of that unit.
Cyber security	Nowadays, cyber security threats are increasing rapidly. If the Company does not control the risks tightly enough, it may cause risks to the organization in various areas such as data theft. Commercial data theft and personal data leakage of customers or employees.	1. The Company complies Personal Data Act 2. Educate employees to recognize the importance of personal data. 3. Use identity verification system for accessing the Company's internal systems. 4. IT Policy and BDP are set.

### 3. Financial Risk

Risk	Risk Cause	Risk Mitigation Measures
Foreign currency volatility risk	The volatility of the baht against the US dollar affects both directly and indirectly to the Company's income. Most of the Company's overseas purchases are paid in cash with US dollar currency. While most of the revenue from sales of goods and services is in Thai baht.	<ol style="list-style-type: none"> <li>1. Have a policy to determine product prices by taking into account the risk of exchange rate volatility.</li> <li>2. Have a policy to prevent foreign exchange volatilities by entering into forward contracts in full amount according to the value of the order to be paid in foreign currency.</li> </ol>
The impact of operating results and financial position of overseas subsidiaries	Established PT Indonesia Applicad in Indonesia to increase investment opportunities there but in the past, the results continued to be decreased because the income base is still small while it has a high proportion of distribution costs and administrative expenses.	<ol style="list-style-type: none"> <li>1. Modify the strategy and form of marketing of PT Indonesia Applicad to meet the needs of customers in Indonesia.</li> <li>2. Recruit knowledgeable and talented personnel to join PT Indonesia Applicad.</li> </ol>

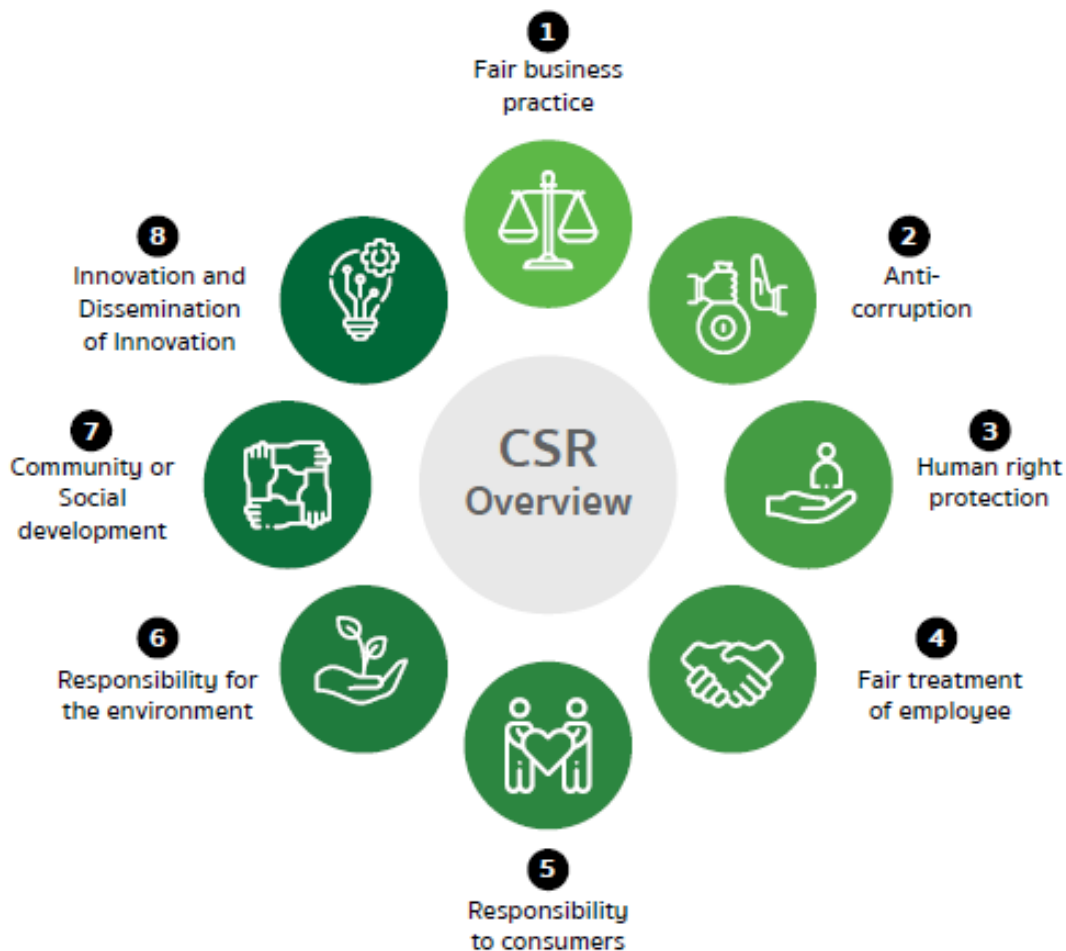
### 4. Compliance Risk

Risk	Risk Cause	Risk Mitigation Measures
Having a major shareholder holding more than 50% of the shares	Mr. Prapas Tangadulrat, a major shareholder of the Company, owns the 57.15% of the issued shares. As a result, such shareholder has the power to control the Company and influence the Company's decisions in almost any matter regarding the appointment of directors, or requesting a resolution on other matters requiring a majority of the shareholders' meeting, except for the matters required by law or articles of association of the Company. Require that at least three-four votes be received at the shareholders' meeting.	The Audit Committee has been appointed to investigate, in order to ensure transparency in the Company's operations and the Board of Directors structure consists of 4 independent directors (including the Chairman of the Board) from a total of 8 directors.

### 3. Business Sustainability

#### 3.1 Sustainability Management Policy and Goals

The Company has focused on the business operation for the sustainable growth and has conducted the business in a good way to society with the good corporate governance principles and ethics. The Company has recognized the importance of responsibilities to stakeholders, economic, society and environment by defining the Corporate Social Responsibilities (“CSR”) according to the principles defined by the Stock Exchange of Thailand. The Company has employed the CSR principles as the guideline to define the operation process (CSR-In process) and to ensure that all employees are aware of and perform the duties under such policies effectively based on responsibility to society, environment and stakeholder as follows;



#### 1. Fair business practice

The Company has committed to conduct its business correctly, honestly, justly, transparently and has also disclosed the important information that can be checked. The Company will consider the benefits and impacts to shareholders, customer, suppliers, employees and stakeholders, including sharing the benefits properly and fairly. However, the Company has given the importance of complying with the laws as well as the

international code of conduct by assigning directors, executives and employees to follow the laws, regulations without taking part in any accomplices, supports or any actions violating the related laws and regulations.

## 2. Anti-corruption

The Company and its subsidiaries have had the intention and commitment to conduct its business with transparency, fairness, and responsibility for all stakeholders for a sustainable growth of the Company with the principles of a good corporate governance, ethics, code of conduct anti-corruption policy that can be verified.

Directors, executives and employees of the Company must strictly comply with the Company's anti-corruption policy, ethics and code of conduct to build confidence to stakeholders both inside and outside the organization to conduct the business together with honesty.

Moreover, the Company has provided the channel to receive any clues and complaints about the dishonest and non-transparent actions as well as any illegal actions against policies, rules and regulations of the Company.

## 3. Human right protection

The Company has recognized that doing the business must respect the life and dignity of all people which is the foundation of human resources management and development as well as building human relationships in society. The Company has the guidelines to promote and encourage the compliance with the basic principles of human rights and equality without discrimination of race, nationality, religion, language, color, gender, age, education, social status or physical condition as well as taking care of employees to work in a safe and happy environment.

## 4. Fair treatment of employee

The Company has recognized that importance of human resource development and fair treatment of employee are crucial factor to increase the business value and to strengthen the competitiveness and sustainable growth of the Company in the future.

The Company has defined the guideline for the employee's treatment. The Company's executives must treat its employees fairly without any biases to support the potential creation in progress, to enhance employee's productivity as well as to encourage employees to understand the Code of Conduct that employees must comply with. Therefore, the Company has defined the Employees Benefits appropriately to lighten the burden of the employees and to take care of the employees such as provident fund, treatment fee for outpatient, life insurance and group health insurance, annual check-up, financial support for sports and exercises as well as financial assistance in various cases such as ordination, childbirth, death and so on.

Moreover, the Company has provided the support its employees to develop themselves all the time in order to increase the efficiency of the employees in all level. The Company always holds the training for the employees of the practical skills and English language skills to improve self-development and organization.

## 5. Responsibility to consumers

The Company has defined the guideline for its employees to strictly follow when treating the customers as the code of conduct, taking care and being responsible to the customers in term of quality and service as its standard and regulations as follows;

1. Treat customers fairly in both products and services
2. Disclosure of information about the products and services accurately and completely
3. Keep confidential data and customer information
4. Educate the customers to develop the products and services
5. Provide more channel to receive complaint about products and services to comply with the Company's complaint policy.

## 6. Responsibility for the environment

The Company has emphasized on the responsibilities for the society, community, environment for human life while today's society begins to realize the importance of environmental protection. Therefore, the Company has operated and seriously controlled the compliance with the laws relating to the environmental protection.

## 7. Community or Social development

The Company has defined the guideline to follow or control the compliance with the related laws and regulations and has been responsible to the society as well as cooperated, assisted, supported and volunteered any activities that benefit the community and society. The Company has also strengthened the economy and rehabilitated the society and innovation.

## 8. Innovation and Dissemination of Innovation

The Company has supported the innovation in the various fields, especially in the working process both within the organization and between organizations by emphasizing on the creative innovation that creates the positive change in productivity and value-added for maximum benefit to society. So that, the Company counted an innovation publication as one of CSR by communicating and disseminating of innovation to the stakeholders directly and indirectly in various channels to ensure that this innovation information will be reached to the stakeholders. This policy can reinforce the user base to the Company's products. This will lead to the achievement of corporate social responsibility goals in driving the organization towards sustainability.

### 3.2 Management of impacts on stakeholders in the business value chain

#### 3.2.1 Business value chain

The business operation of the Company can be divided into five main activities, which are continuously related according to the overall business operation of the Company as follows;

1. Purchase of raw materials and services (employees, partners)
2. Sales of products or services (employees)
3. Distribution of products and services (employees, communities and society)
4. Marketing and sales (employees, partners, customers)
5. After-sales service (employees, customers)

The Company's philosophy is to create long-term growth. The Company attaches importance to the implementation of support activities, no less than core activities, such as procurement, technology development and human resources management Human resources management, accounting and financial infrastructure.

#### 3.2.2 Analysis of stakeholders in enterprise value chain

Stakeholders	Expectation from Stakeholders	Response of Expectation from Stakeholders
Shareholders/investors	<ul style="list-style-type: none"> <li>- Profitable and sustainable growth operations.</li> <li>- The Company operates correctly and transparently in accordance with the rules and regulations and relevant laws.</li> <li>- Good corporate governance</li> <li>- Disclosure of accurate and equal information.</li> </ul>	<ul style="list-style-type: none"> <li>- Review the company's strategy and objectives to achieve sustainable returns.</li> <li>- Formulate good corporate governance policies and compliance.</li> <li>- Disclose company information in a transparent and timely manner through company channels or through the Thai Securities Exchange.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Fair remuneration and benefits</li> <li>- Abide by labor ethics</li> <li>- Support and encourage employees to develop their</li> </ul>	<ul style="list-style-type: none"> <li>- Fair and appropriate compensation management and review the compensation structure annually to meet</li> </ul>

Stakeholders	Expectation from Stakeholders	Response of Expectation from Stakeholders
	<p>potential and operational capabilities.</p> <ul style="list-style-type: none"> <li>- Career development opportunities</li> <li>- Good working environment</li> </ul>	<p>performance and industry conditions.</p> <ul style="list-style-type: none"> <li>- Develop and encourage employees to have appropriate knowledge and skills, and develop their potential according to organizational values.</li> <li>- Provide career development opportunities</li> <li>- Develop occupational safety, health and work environment management system</li> <li>- Treat employees fairly</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Provide high-quality products and services at reasonable prices</li> <li>- Product quality and after-sales service</li> </ul>	<ul style="list-style-type: none"> <li>-Train employees to understand products and services.</li> <li>-There is a department to handle and receive complaints.</li> </ul>
Partners	<ul style="list-style-type: none"> <li>- Fair treatment</li> <li>- Compliance with terms of trade</li> <li>- Payment on time</li> </ul>	<ul style="list-style-type: none"> <li>- Identify common problems and needs to develop common solutions</li> <li>- Compliance with trade terms and conditions</li> </ul>
Community	<ul style="list-style-type: none"> <li>- Promote and support social activities beneficial to society and communities</li> <li>- Good environment</li> </ul>	<ul style="list-style-type: none"> <li>- Promote and support beneficial activities to society and communities.</li> </ul>

### 3.3 Environmental Sustainability Management

#### 3.3.1 Environmental policies and practices

The Company emphasizes importance to environmental protection by strictly abiding laws related to environmental protection by implementing and controlling the Company's sales and services. In addition, it also publicizes environmental protection, water saving, electricity saving and resource utilization to employees. Reduce environmental impact.



### 3.3.2 Environmental performance

#### - Power management

By encouraging employees to participate in reducing energy consumption, the Company improves employees' awareness and understanding of energy use, for example, turning off the lights and unplugging the power after work, and going up and down by stairs instead of elevators, checking electrical equipment regularly to achieve maximum efficiency and energy saving. By 2022 Compared with last year, it saved 175,909.52 baht or 10.25% of electricity bills.

#### - Water Management

The Company does not primarily use water, because the Company is not a manufacturing factory but a distributor. However, the Company did not neglect water management. The condition of the equipment is regularly checked and water saving campaigns. As a result, in 2022, the Company was able to save water bills by 2,048.68 or 5.55% compared to the previous year.

#### - Waste and pollution management

According to the 3R (reduction, reuse and recycling) principle, the Company systematically manages waste in the process of business operation. The waste classification system is effective by type. While raising awareness and participation with relevant personnel, improve employees' awareness of the importance of waste management.

## 3.4 Managing sustainability in a social dimension

### 3.4.1 Environmental Policy and Practice

The Company adheres to and complies with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights: (“UNGPs”) by giving importance to labor practices and respect for human rights with fairness, equality and non-discrimination in terms of employment, compensation, promotion, training and development without discrimination of gender, age, educational institution, race and religion, as well as supporting employment for underprivileged groups, including the disabled, the elderly and those released from prison to create opportunities, create careers and stable incomes. and as part of achieving the Sustainable Development Goals (SDGs) of the country and the world.

### 3.4.2 Social Performance

#### (1) Employees and Labor

The Company complies with human rights principles from employment by taking care of employees and personnel. So that all employees and personnel feel connected to the same family as the organization. In 2022, the company has the following key employee operations:

## Employment

Detail	No of Employee	
	Male	Female
Permanent Employee	201	172
<b>Total</b>	<b>201</b>	<b>172</b>

### Employee training

In 2022, the Company organized 58 training courses to improve employees' skills and work potential. The average time for employee training or knowledge development activities is 12 hours per person per year, while the target is 12 hours per person per year.

### Employee engagement

In 2022, 18.24% of employees resigned voluntarily, up 3.83%. Therefore, in 2023, The Company's goal is to develop employee participation development plans.

#### (2) Customers

The Company continuously develops products and services to meet customer satisfaction, responsible, honest and ethical. In 2022, the Company received a 9<sup>th</sup>- level of customer satisfaction from the Net Promoter Score and no significant customer complaints.

#### (3) Community and Society

The Company has focused on corporate social responsibility (CSR), as well as the importance of creating society, environment, education and quality of life of the citizens. This is because the sustained growth of the Company is driven by quality people and a strong society. Therefore, there are regular social activities organized by the Company. The important activities that the company has organized and participated in 2022 are as follows;

#### **Educational Social Activities**

The Company has realized the importance of the development of children, youth and people in society, as well as believing that providing educational opportunities can open the door to better career opportunities and quality of life through the transfer of knowledge, expertise and development of 3D design skills along with comprehensive practical training for the sustainable education.



- DETI Co., Ltd., signed a Memorandum of Understanding on Curriculum Development Cooperation with the Institute of Interdisciplinary Studies. Rajamangala University of Technology Isaan to create a Bachelor of Engineering Program Department of Construction Engineering and Building Information Simulation and develop a teaching and learning model to increase capability in innovation, technology. It is the connection of knowledge to drive the design and construction industry by linking innovation Technology and knowledge in engineering and architecture to step into the digital construction industry or "Digital Construction" with design drawings in 3D using the use of BIM: Building Information Modeling to build manpower high potential working under BIM standards in the design, construction and real estate sectors by helping to develop construction work to be more environmentally and friendly. It helps to save manpower to solve the problem of labor shortages and save time and energy as well as accurate and transparent management to comply with international standards.



- Signed a memorandum of understanding on academic cooperation with the Institute of Personnel Development in the field of Automation and Robotics Technology (MARA), Department of Skill Development, under the main objective of developing manpower to meet the needs of the labor market and the industrial sector, as well as responding to the needs of countries in the Eastern

Economic Corridor (EEC) and nearby areas by focusing on knowledge, skills development, manpower competence in engineering and architecture with 3D design to upgrade the skill of Thai workers to be highly skilled workers to support modern technology and innovation.

- **The Company has signed a Memorandum of Understanding (MOU) with the Thai-Nichi Institute of Technology** to support, promote and cooperate in various teaching and learning projects, accepting students for internships and cooperative education including training and academic services together Exchange of theoretical knowledge of professors in institutions with practical knowledge of experts in private organizations to be conveyed to students to prepare and able to perform real work immediately upon graduation Responding to the needs of promoting graduates to be ready to enter the labor market in the digital age.



- **The Company signed an agreement on academic cooperation and integration studies with work and academic services with Naresuan University.** This cooperation is for the development of personnel's potential and Naresuan University students by jointly driving the organization of cooperative education and cooperative and work integrated education (CWIE) to produce graduates with high potential and performance that able to actually work meet labor skill standards keep pace with changes in technology and in line with the needs of industry agencies. Moreover. It provides organizing training, seminars, exchanging knowledge between students, both theoretical lectures and field study visits about BIM (Building Information Modeling) and ArchiCAD, new technologies developed for the architecture industry and construction starting from building design to construction. BIM uses computer systems to control various processes and the system creates an



accurate virtual model of the building and digital model. This collaboration will create an academic network in architecture and design, engineering, safety, occupational health and environment clean energy technology and automatic control technology for local development for communities and industrial sectors.

### Social Activities for Promoting Quality of Life

The Company has aimed to enhance and promote the development of the quality of life of people in the community and society in order to have a good quality of life and stay safe from various dangers as a good foundation for building a strong and sustainable society.



- **APP Snack bag.** The Company together with the management team and volunteer employees joined to organize activities to deliver food and donations to the Children's and Family Home Center in Samut Prakan Province. However, the management and team also visited and bought products from the Phra Pradaeng Disabled GYM Potential Development Center to support and encourage the apprentices.



- **SET Social Impact Gym Project.** The company has participated in the SET Social Impact Gym 2022 project under the concept of Idea to I-done, which is a business potential development project. For business people for society (Social Enterprise) to run business with strength and efficiency with the aim of having business people for society take part in taking care of and correcting society in any dimension agriculture vulnerable group community development, health, education and environment Ready to expand the results both business and society sustainably.

### Social Activities on Innovation and Technology

The Company has strived to be a leader in technology consulting and product selection to promote the innovation in designing and manufacturing, as well as construction to meet the customers need in the digital society. In addition to selecting the best quality products, the Company has focused on innovation, technology and services, including information and learning resources to reduce inequality within society and create opportunities for sustainable development of people, economy and society.



- **AppliCAD Innovation Center:** AIC AppliCAD Innovation Center was created from the vision of being the starting point of creating innovation to enhance the potential of Thai businesses by driving creativity and new innovations to promote personnel development and tools development. It is to be ready to develop the business to grow sustainably. AIC is the center of modern technology to create innovation in Thailand to promote the use of technology and develop the potential to work for a variety of industries to achieve the goal. AppliCAD Innovation Center has a technology display area from the beginning of design, analysis, and presentation. Prototyping, replacement, precision inspection until the production process.



- **Knowledge Day 2022 “ScanBox in Production Control**, a seminar held to update knowledge and update measurement technology with 3D Scanner. The topic of this seminar focused on reducing defective work into zero by controlling the workpiece quality in the production process with 3D Inspection technology, Sheet Metal, Casting Inspection for personnel in the automotive industry and those who are interested will come to exchange experiences Get insights into quality assurance.



- **AppliCAD's 3DEXPERIENCE SOLIDWORKS DAY 2023**, an annual seminar held this year, held in a hybrid format to showcase technology and innovation in industrial design and to bring together a group of people who are involved in the industry to learn and exchange experiences with each other as well as updating innovations new technology design software.

## 4. Management Discussion and Analysis: MD&A

### 4.1 Analysis of Operations and Financial Status

#### 4.1.1 Overview of past performance

According to the audited consolidated financial statements as of 31 December 2022, the operating performance in 2022 was 46.5 million baht of net profit, compared with the previous year decreased by 20.81% amounted to 58.72 million baht, The main reason for the decrease was the lower profit margin, which was impacted by the exchange rate of weakening of the Thai baht against the US dollar.

#### 4.1.2 Performance analysis

##### Revenue

The total revenue in 2022 was 888.34 million baht increased by 11.19% over the previous year amounted to 89.43 million baht, as following details:

- **Sales and service revenue**

The sales revenue in 2022 was 466.01 million baht, increased by 1.27% over the previous year, amounted to 5.86 million baht and service revenue was 409.16 million baht, increased by 26.10% from the previous year amounted to 84.7 million baht, resulting from the adjustment of the yearly leasehold sales model which is a computer program that has a pattern of revenue recognition over time according to TFRS No.15 classified in revenue from services in the amount of 59.56 million baht, representing 18.36 % of the increased service revenue.

- **Other incomes**

In 2022, the other income of the Company was 13.17 million baht decreased by 7.84% from the previous year, amounted to 1.12 million baht. Other important income was the commission and marketing support share of the product owner amounted 7.59 million baht, and the asset sales profit was 2.37 million baht.

##### Gross Profit and Gross Profit Margin

In 2022, the gross profit was 354.85 million baht, increased by 3.83% amounted to 13.1 million baht which was lower than the proportion of revenue growth. This is due to the rise in commodity costs and the weakness of the Thai baht against the US dollar. Therefore, the Company's gross profit margin decreased from 43.56% to 40.55%.



## Expense

- **Distribution costs**

The distribution cost in 2022 was 195.5 million baht, increased as the amount of 25.09 million baht, mainly due to the depreciation expenses of 4.85 million baht from the AppliCAD Innovation Center, and the Company spent 7.88 million baht for advertising and promotion including provision for doubtful accounts, increased by 2.52 million baht over the same period last year.

- **Administrative expenses**

The administrative expenses in 2022 was 110.25 million baht, increased by 9.94 million baht or 9.91% over the previous year. It is due to the employee welfare expenses as the amount of 20.4 million baht, employee benefit as the amount of 1.34 million baht, seminar costs as the amount of 1.41 million baht and R&D costs as the amount of 0.75 million baht.

## Financial expenses

In 2022, the Company's financial expenses were 0.70 million baht, increased by 0.34 million baht over the previous year from interest expenses - Right of Use asset (ROU).

## **Return on Equity**

The return on equity decreased from 16.75% to 13.21%. In addition, the Company continued to pay dividends to shareholders in the form of dividends per share. 0.14 as the amount of 39.2 million baht.

### **4.1.3 Financial Status**

#### 1. Assets

As of 31 December 2022, the total assets of the Company and its subsidiaries were 772.44 million baht, increased by 5.39% or 39.52 million baht, the main assets are changed as follows:

Cash and cash equivalents were 159.06 million baht, decreased by 201.77 million baht from the investment in a 12-month fixed deposit account in the amount of 80.60 million baht and a new 7-month fixed deposit account in the amount of 60 million baht, resulting in an increase in financial current assets increased by 140.82 million baht, with a dividend payment of 56 million baht.

Accounts receivable and other accounts receivable were 103.02 million baht, increased by 18.8 million baht which consisted undue accounts receivable of 68.82 million baht, representing 66.80% of total receivables.

Contractual assets - current were 106.92 million baht, increased by 19.64 million baht. Contractual assets - non-current were 29.55 million baht, increased by 12.48 million baht, resulting from an increase in customer service contracts.

The inventory was 65.00 million baht, increased by 18.17 million baht and would be gradually delivered in the next cycle.

Building Renovation and Equipment – net were 106.95 million baht, increased by 6.15 million baht, Right of Use asset (ROU) of 12.09 million baht, increased by 8.48 million baht from Lease agreement of AppliCAD Innovation Center, other intangible assets of 20.42 million baht, increased by 7.58 million baht from the investment in intangible assets during system development - ERP as the amount of 3 million baht.

## **2. Liquidity**

As of 31 December 2022, the Company's net cash flow decreased by 201.77 million baht with cash and cash equivalents at the beginning of the period of 360.82 million baht, resulting in cash and cash equivalents at the end of the period were 159.05 million baht with the details of each activity as follows;

The net cash flow from operating activities was 33.30 million baht, from trade and other current receivables increased by 40.35 million baht, other operating receivables increased by 12.48 million baht, and trade and other payables increased by 23.76 million baht. and payable from other operations increased by 14.59 million baht. The depreciation and amortization expenses increased by 23.35 million baht, adjusted the provision for doubtful accounts increased by 1.58 million baht, profit from disposal of assets increased by 2.37 million baht, paid income tax 18.63 million baht and the adjustment of employee benefits - transferring between the Company of 1.55 million baht.

Net cash flow from investment activities was 172.61 million baht, mainly from fixed deposits of 140.82 million baht for 6 and 12 months to invest in the purchase of equipment and improvements to increase the leased assets in the amount of 27.79 million baht to invest in assets Intangible under development 8.53 million baht.

Net cash received from financing activities was 61.66 million baht, derived from dividend payment of 56.00 million baht, payment of lease liabilities of 4.99 million baht and interest payment of 0.67 million baht.

### **Current ratio**

The Company's current ratio decreased from 1.95 times to 1.81 times, and the quick ratio decreased from 1.49 times to 0.81 times.

In 2022, the cash cycle of the Company increased from 22.41 days to 31.12 days, and the average debt collection period increased from 31.72 days to 35.03. The average sales period increased from 36.20 days to 42.52 days, and the average repayment period increased from 45.51 days. 46.43 days.

## **3. Source of funds**

### **Liabilities**

As of 31 December 2022, the Company's total liabilities were 426.74 million baht, increased by 51.03 million baht or 13.58%, with the main changes in liabilities as follows:

Trade payables and other current payables were 125.69 million baht, increased by 4.56 million baht, of which trade payables were 70.69 million baht, representing 56.24% of all payables.

Liabilities arising from contracts - current were 189.61 million baht, increased by 11.08% or 18.91 million baht, arising from customer service contract debt and lease contract debt with a portion of liabilities under the lease that will be paid within the year as 3.85 million baht, increased by 1.56 million baht or 68.06%.

The liability under the lease agreement was 8.64 million baht, increased by 484.25% or 7.16 million baht which is due to the lease agreement of AppliCAD Innovation Center. Liabilities arising from contracts - non-current were 44.32 million baht, increased by 14.59 million baht or 49.06% due to the service contract signed with customers and the non-current provision for employee benefits were 50.22 million baht, increased by 11% or 4.98 million baht due to the transfer of the Company's employees.

### **Shareholders' equity**

As of 31 December 2022, the shareholders' equity of the Company was 3457 million baht, which decreased by 3.22% or 11.51 million baht due to the net operating profit of the Company which decreased by 19.96% or 10.73 million baht and the effect from the currency conversion of 0.80 million baht or 39.90%.

## **4.2 Significant Financial Information**

### **4.2.1 The summary of Independent Auditor's Report**

a) The Financial Statement of 2020 has been audited by Mrs. Sumana Senivongse as certified public accountant No. 5897 from Karin Audit Company Limited. The auditor has audited the financial statements of AppliCAD Public Company Limited and its subsidiaries which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The auditor has provided the opinion that the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

b) The Financial Statement of 2021 has been audited by Mr. Komin Linprachaya as certified public accountant No. 3675 from Karin Audit Company Limited. The auditor has audited the financial statements of AppliCAD Public Company Limited and its subsidiaries which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The auditor has provided the opinion that the consolidated and separate financial statements referred to above present fairly,

in all material respects, the financial position as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

c) The Financial Statement of 2022 has been audited by Mr. Komin Linprachaya as certified public accountant No. 3675 from Karin Audit Company Limited. The auditor has audited the financial statements of AppliCAD Public Company Limited and its subsidiaries which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The auditor has provided the opinion that the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### 4.2.1 Summary of financial position and performance

##### 1. Separate financial statements

Financial Position	Separate financial statements					
	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	Million baht	%	Million baht	%	Million baht	%
<u>ASSETS</u>						
<i>Current assets</i>						
Cash and cash equivalents	349.98	54.23	346.68	48.58	152.16	20.30
Accounts receivable and current accounts receivable	63.86	9.90	74.34	10.42	88.13	11.76
Contract-current assets	58.45	9.06	85.64	12.00	108.85	14.52
Short-term loans	15.43	2.39	23.29	3.26	15.63	2.09
Inventories	29.02	4.50	40.97	5.74	55.74	7.44
Current income tax assets	-	-	-	-	3.77	0.50
Other finance current assets	-	-	1.00	0.14	141.82	18.92
Other current assets	0.66	0.10	0.69	0.10	1.67	0.22
Total current assets	517.40	80.18	572.61	80.24	567.77	75.75
<i>Non-current assets</i>						
Investments in subsidiaries	6.12	0.95	2.86	0.40	5.79	0.77
Contract- non - current assets	13.02	2.02	16.51	2.31	26.73	3.57
Property, plant and equipment	81.70	12.66	90.02	12.62	98.65	13.16
Right of use assets	1.81	0.28	1.80	0.25	11.45	1.53
Intangible assets	5.31	0.82	16.81	2.36	24.34	3.25
Deferred tax assets	19.42	3.01	12.58	1.76	13.97	1.86
Other non-current assets	0.54	0.08	0.42	0.06	0.86	0.11

Financial Position	Separate financial statements					
	31 Dec 2020		31 Dec 20201		31 Dec 2022	
	Million baht	%	Million baht	%	Million baht	%
Total non-current assets	127.92	19.82	141.00	19.76	181.79	24.25
<b>Total assets</b>	<b>645.32</b>	<b>100.00</b>	<b>713.61</b>	<b>100.00</b>	<b>749.56</b>	<b>100.00</b>
<u>Liabilities and shareholders' equity</u>						
<i>Current liabilities</i>						
Accounts Payable and Current Payable	82.99	12.86	110.66	15.51	111.37	14.85
Liabilities arising from contracts - current	147.87	22.91	167.12	23.42	185.18	24.71
Lease liabilities due within one year	1.46	0.23	1.09	0.15	3.36	0.45
Accrued income tax	3.86	0.60	2.77	0.39	-	-
Current provisions for employee benefits	1.58	0.24	1.24	0.17	1.65	0.22
Other current liabilities	-	-	-	-	0.19	0.03
<b>Total current liabilities</b>	<b>237.76</b>	<b>36.84</b>	<b>282.88</b>	<b>39.64</b>	<b>301.75</b>	<b>40.26</b>
<i>Non-current liabilities</i>						
Lease liabilities	0.40	0.06	0.78	0.11	8.43	1.12
Liabilities arising from contracts - non-current	27.48	4.26	29.15	4.09	41.27	5.51
Non-current provisions for employee benefits	33.09	5.13	36.97	5.18	43.89	5.85
Obligation to increase the investment of demolition fund	-	-	-	-	0.68	0.09
Total non-current liabilities	60.97	9.45	66.90	9.38	94.27	12.57
<b>Total liabilities</b>	<b>298.73</b>	<b>46.29</b>	<b>349.78</b>	<b>49.02</b>	<b>396.02</b>	<b>52.83</b>
<u>Shareholders' equity</u>						
Share capital						
Registered capital	140.00	21.69	140.00	19.62	140.00	18.68
Surplus (low) value of ordinary shares	146.73	22.74	146.73	20.56	146.73	19.57
Issued and paid share capital	140.00	21.69	140.00	19.62	140.00	18.68
Retained earnings						
Appropriated-Legal reserve	10.94	1.70	14.00	1.96	14.00	1.87
Unappropriated	48.92	7.58	63.10	8.84	52.81	7.05
<b>Total shareholders' equity</b>	<b>346.59</b>	<b>53.71</b>	<b>363.83</b>	<b>50.98</b>	<b>353.54</b>	<b>47.17</b>
<b>Total liabilities and shareholders' equity</b>	<b>645.32</b>	<b>100.00</b>	<b>713.61</b>	<b>100.00</b>	<b>749.56</b>	<b>100.00</b>

Statement of comprehensive income	Separate financial statements					
	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	Million baht	%	Million baht	%	Million baht	%
<u>Revenue</u>						
Revenue from sales	340.39	56.64	417.67	58.12	425.35	53.25
Revenue from service	246.60	41.04	283.54	39.45	352.35	44.12
Other revenues	13.96	2.32	17.44	2.43	20.97	2.63
<b>Total revenue</b>	<b>600.95</b>	<b>100.00</b>	<b>718.65</b>	<b>100.00</b>	<b>798.67</b>	<b>100.00</b>
<u>Cost and Expense</u>						
Cost of sales	194.55	32.37	264.21	36.77	272.27	34.09
Cost of service	109.88	18.29	127.94	17.80	187.42	23.47
Cost of distribution	149.52	24.88	155.06	21.58	181.18	22.68
Administrative expense	84.79	14.11	88.04	12.25	97.41	12.20
<b>Total expense</b>	<b>538.74</b>	<b>89.65</b>	<b>635.25</b>	<b>88.40</b>	<b>738.28</b>	<b>92.44</b>
<b>Profit (Loss) before financing expenses and income taxes</b>	<b>62.21</b>	<b>10.35</b>	<b>83.40</b>	<b>11.60</b>	<b>60.39</b>	<b>7.56</b>
Financial cost	(0.19)	(0.03)	(0.18)	(0.02)	(0.58)	(0.07)
<b>Profit (loss) before income tax</b>	<b>62.02</b>	<b>10.32</b>	<b>83.22</b>	<b>11.58</b>	<b>59.81</b>	<b>7.49</b>
Income tax	(12.02)	(2.00)	(23.99)	(3.34)	(12.52)	(1.57)
<b>Net profit (loss)</b>	<b>50.00</b>	<b>8.32</b>	<b>59.23</b>	<b>8.24</b>	<b>47.29</b>	<b>5.92</b>
<u>Other comprehensive income</u>						
Profit (loss) on revaluation of employee benefits	-	-	-	-	(1.57)	(0.20)
Exchange rate difference	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>50.00</b>	<b>8.32</b>	<b>59.23</b>	<b>8.24</b>	<b>45.72</b>	<b>5.72</b>
Earnings per share (Fully Diluted) (baht)	0.18		0.21		0.17	
Earnings per share (Weighted Average) (baht)	0.18		0.21		0.17	
Par value (baht)	0.50		0.50		0.50	

Cash flow statement (Unit: million baht)	Separate financial statements		
	2020	2021	2022
<u>Cash flows from operating activities</u>			
Profit (loss) before income tax for the year	62.02	83.22	59.80
<i>Adjustment of profit (loss) on cash received (paid)</i>	-	-	-
Financial cost	0.19	0.18	0.58
Accounts receivable and other current accounts receivable	(19.07)	(35.09)	(37.42)
Receivables from other operations	-	(3.49)	(9.38)
Inventories	(9.83)	(12.67)	(16.30)
Other assets	(0.50)	(0.03)	(3.63)
Trade accounts and other current payables	15.31	47.09	19.05

Cash flow statement (Unit: million baht)	Separate financial statements		
	2020	2021	2022
Payable from other operations	-	1.68	12.12
Adjustments with other liabilities increase (decrease)	-	-	0.19
Depreciation, Depletion and Amortization	13.34	15.14	20.85
Loss on valuation of inventories (reversal)	-	0.72	1.53
Impairment loss recognized in profit	1.29	3.26	(1.07)
Provision liabilities (Reverse)	3.96	4.25	7.47
Unrealized Loss (Gain) on exchange rate	0.01	(0.17)	(0.28)
Bad debts and allowance for doubtful accounts (Reverse)	1.87	(5.30)	0.57
Loss from product revaluation (Reverse)	(1.06)	(0.66)	(2.39)
Loss (Gain) from sales of non-current assets	(0.08)	(1.29)	(1.62)
Cash generated from investments or loans	-	0.03	0.18
<b>Net cash flows derived from (used in) operating activities</b>	<b>67.45</b>	<b>96.87</b>	<b>50.25</b>
Interest expense	-	0.66	0.70
Income tax paid out	(11.26)	(18.24)	(19.32)
Cash received (paid) from other activities - Provision for employee benefits	(0.72)	(0.70)	(1.42)
<b>Net cash provided from (used in) operating activities</b>	<b>55.47</b>	<b>78.59</b>	<b>30.21</b>
<u>Cash flows from investing activities</u>			
Cash received from sales of subsidiaries	-	-	-
Cash received from sale of property, plant and equipment	1.37	0.69	4.52
Cash paid for purchase of property, plant and equipment	(14.65)	(21.11)	(27.14)
Cash received from sales of intangible assets	-	-	-
Cash paid for purchase of intangible assets	(3.56)	(12.26)	(8.41)
Advance payments and loans to other persons or related parties	(5.00)	(7.34)	-
Cash received from advance payment and loans to other persons or related parties	5.12	3.45	7.05
Interest income	0.83	0.08	0.36
Loss from impairment of investments in subsidiaries	-	(1.00)	(140.82)
<b>Net cash flows provided from (used in) investing activities</b>	<b>(15.89)</b>	<b>(37.49)</b>	<b>(164.44)</b>
<u>Cash flows from financing activities</u>			
Cash received from issue of ordinary share	-	-	-
Cash paid for loans	-	-	-
Cash paid for repayment finance lease payable	(2.17)	(2.23)	(3.70)
Dividend	(28.00)	(42.00)	(56.00)
Interest expenses	-	(0.18)	(0.58)
<b>Net cash flows provided from (used in) financing activities</b>	<b>(30.17)</b>	<b>(44.41)</b>	<b>(60.28)</b>
<b>Cash and cash equivalents increase (decrease) - net</b>	<b>9.41</b>	<b>(3.31)</b>	<b>(194.51)</b>
Cash and cash equivalents - beginning balance	340.57	349.98	346.67
<b>Cash and cash equivalents - ending balance</b>	<b>349.98</b>	<b>346.68</b>	<b>152.16</b>

## 2. Consolidate financial statement

Financial Position	Consolidated financial statements					
	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	Million baht	%	Million baht	%	Million baht	%
<b>ASSETS</b>						
<i>Current assets</i>						
Cash and cash equivalents	362.33	54.86	360.82	49.23	159.05	20.59
Cash and cash equivalents	69.69	10.55	84.22	11.49	103.02	13.34
Trade and current receivable	59.94	9.08	87.28	11.91	106.92	13.84
Other receivables-prepaid service costs	33.78	5.11	46.84	6.39	65.00	8.42
Short-term loans	2.00	0.30	1.21	0.16	5.80	0.75
Income tax assets of the current period	-	-	1.00	0.14	141.82	18.36
Other current assets	0.73	0.11	0.70	0.10	1.73	0.22
<b>Total current assets</b>	<b>528.47</b>	<b>80.01</b>	<b>582.07</b>	<b>79.42</b>	<b>583.34</b>	<b>75.52</b>
<i>Non-current assets</i>						
Contract assets - non-current	13.02	1.97	17.07	2.33	29.55	3.82
Property, plant and equipment	92.64	14.03	100.80	13.75	106.95	13.85
Right of use assets	3.61	0.55	3.61	0.49	12.09	1.57
Intangible assets	5.34	0.81	16.84	2.30	24.43	3.16
Deferred tax assets	16.29	2.47	11.50	1.57	14.62	1.89
Other non-current assets	1.07	0.16	1.03	0.14	1.46	0.19
<b>Total non-current assets</b>	<b>131.97</b>	<b>19.99</b>	<b>150.85</b>	<b>20.58</b>	<b>189.10</b>	<b>24.48</b>
<b>Total assets</b>	<b>660.44</b>	<b>100.00</b>	<b>732.92</b>	<b>100.00</b>	<b>772.44</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>						
<i>Current liabilities</i>						
Trade and current payables	91.82	13.90	121.13	16.53	125.69	16.27
Other payables-earned revenues	151.54	22.95	170.70	23.29	189.61	24.55
Lease liabilities due within one year	2.07	0.31	2.29	0.31	3.85	0.50
Income tax payable	3.86	0.58	3.48	0.47	3.13	0.41
Current provisions for employee benefits	1.76	0.27	1.45	0.20	0.19	0.02
<b>Total current liabilities</b>	<b>251.05</b>	<b>38.01</b>	<b>299.05</b>	<b>40.80</b>	<b>322.47</b>	<b>41.75</b>
<i>Non-current liabilities</i>						
Lease liabilities	1.64	0.25	1.48	0.20	8.64	1.12
Liabilities arising from contracts - non-current	27.48	4.16	29.73	4.06	44.32	5.74
Non-current provisions for employee benefits	39.90	6.04	45.24	6.17	50.22	6.50
Decommissioning funds obligations	0.21	0.03	0.21	0.03	1.09	0.14
<b>Total non-current liabilities</b>	<b>69.23</b>	<b>10.48</b>	<b>76.66</b>	<b>10.46</b>	<b>104.27</b>	<b>13.50</b>
<b>Total liabilities</b>	<b>320.28</b>	<b>48.49</b>	<b>375.71</b>	<b>51.26</b>	<b>426.74</b>	<b>55.25</b>



Financial Position	Consolidated financial statements					
	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	Million baht	%	Million baht	%	Million baht	%
<u>Shareholders' equity</u>						
Share capital						
Registered capital	140.00	21.20	140.00	19.10	140.00	18.12
Issued and paid-up capital	140.00	21.20	140.00	19.10	140.00	18.12
Surplus (low) value of ordinary shares	146.73	22.22	146.73	20.02	146.73	19.00
Surplus (low) from business combinations under common control	0.95	0.14	0.95	0.13	0.95	0.12
Retained earnings	10.94	1.66	14.00	1.91	14.00	1.81
Appropriated-Legal reserve	40.37	6.11	53.77	7.34	43.04	5.57
Unappropriated						
Other components of equity	1.69	0.26	2.01	0.27	1.21	0.16
<b>Total equity of the parent company</b>	<b>340.68</b>	<b>51.59</b>	<b>357.46</b>	<b>48.77</b>	<b>345.93</b>	<b>44.78</b>
Non-controlling interests	(0.52)	(0.08)	(0.25)	(0.03)	(0.23)	(0.03)
<b>Total shareholders' equity</b>	<b>340.16</b>	<b>51.51</b>	<b>357.21</b>	<b>48.74</b>	<b>345.70</b>	<b>44.75</b>
<b>Total liabilities and shareholders' equity</b>	<b>660.44</b>	<b>100.00</b>	<b>732.92</b>	<b>100.00</b>	<b>772.44</b>	<b>100.00</b>

Statement of comprehensive income	Consolidated financial statements					
	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	Million baht	%	Million baht	%	Million baht	%
<u>Revenue</u>						
Revenue from sales	365.43	55.53	460.15	57.60	466.01	52.46
Revenue from service	282.56	42.93	324.46	40.61	409.16	46.06
Other revenues	10.13	1.54	14.30	1.79	13.17	1.48
<b>Total revenue</b>	<b>658.12</b>	<b>100.00</b>	<b>798.91</b>	<b>100.00</b>	<b>888.34</b>	<b>100.00</b>
<u>Cost and Expense</u>						
Cost of sales	206.34	31.35	288.99	36.17	293.98	33.09
Cost of service	131.72	20.02	153.88	19.26	226.34	25.48
Cost of distribution	162.47	24.69	173.86	21.76	198.95	22.40
Administrative expense	100.18	15.22	100.31	12.56	110.25	12.41
<b>Total expense</b>	<b>600.71</b>	<b>91.28</b>	<b>717.04</b>	<b>89.75</b>	<b>829.52</b>	<b>93.38</b>
<b>Profit (Loss) before financing expenses and income taxes</b>	<b>57.41</b>	<b>8.72</b>	<b>81.87</b>	<b>10.25</b>	<b>58.82</b>	<b>6.62</b>
Financial cost	(0.34)	(0.05)	(0.33)	(0.04)	(0.67)	(0.08)
<b>Profit (loss) before income tax</b>	<b>57.07</b>	<b>8.67</b>	<b>81.54</b>	<b>10.21</b>	<b>58.15</b>	<b>6.54</b>
Income tax	(12.09)	(1.84)	(22.81)	(2.86)	(11.65)	(1.31)

Statement of comprehensive income	Consolidated financial statements					
	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	Million baht	%	Million baht	%	Million baht	%
<b>Net profit (loss)</b>	<b>44.98</b>	<b>6.83</b>	<b>58.73</b>	<b>7.35</b>	<b>46.50</b>	<b>5.23</b>
<b>Other comprehensive income</b>						
Exchange rate variance from the conversion of the financial statement	(0.25)	(0.03)	0.32	0.04	(0.80)	(0.09)
Profit (loss) on revaluation of defined employee benefits	-	-	-	-	(1.21)	(0.13)
<b>Total comprehensive income</b>	<b>44.73</b>	<b>6.80</b>	<b>59.05</b>	<b>7.39</b>	<b>44.49</b>	<b>5.01</b>
<b>Profit sharing</b>						
Portion of the parent company	45.00		58.46		46.47	
Non-controlling interests	(0.02)		0.27		0.03	
<b>Total</b>	<b>44.98</b>		<b>58.73</b>		<b>46.50</b>	
<b>Total comprehensive income sharing</b>						
Portion of the parent company	44.74		58.78		44.46	
Non-controlling interests	(0.02)		0.27		0.03	
<b>Total</b>	<b>44.73</b>		<b>59.05</b>		<b>44.49</b>	
Earnings per share (Fully Diluted) (baht)	0.16		0.21		0.17	
Earnings per share (Weighted Average) (baht)	0.16		0.21		0.17	
Par value (baht)	0.50		0.50		0.50	

Cash flow statement (Unit: million baht)	Consolidated financial statements		
	2020	2021	2022
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax	57.07	81.53	58.15
<i>Adjustment of profit (loss) on cash received (paid)</i>			
Financial cost	0.34	0.33	0.67
Trade and other current receivables	(15.89)	(41.43)	(40.35)
Accounts receivable from other operations	-	(4.05)	(12.48)
Inventories	(11.49)	(14.10)	(19.73)
Other assets	(0.67)	0.53	(4.48)
Trade and other current account payables	16.95	48.63	23.75
Accounts payable from other operations	-	2.25	14.59
Adjustment for increase (decrease) of other liabilities	-	-	(0.52)
Depreciation, Depletion and Amortization	17.71	19.52	25.35
Loss on revaluation of goods (reversal)	1.26	1.04	1.57
Adjustment for loss on impairment of assets (reversal)	-	-	0.77
Provisions (reversal)	5.54	5.74	7.53
Unrealized loss (gain) on exchange rates	0.01	(0.16)	(0.29)

Cash flow statement (Unit: million baht)	Consolidated financial statements		
	2020	2021	2022
Bad debt and doubtful accounts (reversal)	1.62	(0.44)	1.58
Disposal of non-current assets - Property, plant and equipment	(0.38)	(0.66)	(2.37)
Disposal of non-current assets - intangible assets	-	-	-
Cash generated from investments or borrowing	(0.09)	(0.66)	(1.15)
Write off property	-	0.03	0.18
<b>Net cash flows provided from (used in) operating activities</b>	<b>71.98</b>	<b>98.10</b>	<b>52.77</b>
Interest received		0.66	0.70
Income tax refundable (paid out)	(11.17)	(17.60)	(18.62)
Other cash received (paid) from operating activities - Cash paid for employee benefits	(0.72)	(0.70)	(1.55)
<b>Net cash provided from (used in) operating activities</b>	<b>60.09</b>	<b>80.46</b>	<b>33.30</b>
<u>Cash flows from investing activities</u>			
Cash received from sale of property, plant and equipment	0.70	0.69	4.53
Cash paid for purchase of property, plant and equipment	(17.08)	(23.81)	(27.79)
Cash received from sales of intangible assets	-	-	-
Cash paid for purchase of intangible assets	(3.59)	(12.32)	(8.53)
Interest income	0.26	-	-
Financial assets	-	(1.00)	(140.82)
<b>Net cash flows provided from (used in) investing activities</b>	<b>(19.71)</b>	<b>(36.44)</b>	<b>(172.61)</b>
<u>Cash flows from financing activities</u>			
Cash received from issue of ordinary share	-	-	-
Cash paid for repayment finance lease payable	(3.46)	(3.52)	(4.99)
Dividend	(28.00)	(42.00)	(56.00)
Interest Expenses	-	(0.33)	(0.67)
<b>Net cash flows provided from (used in) financing activities</b>	<b>(31.46)</b>	<b>(45.85)</b>	<b>(61.66)</b>
Impact of exchange rates on cash and cash equivalents	(0.25)	0.32	(0.80)
<b>Cash and cash equivalents increase (decrease) - net</b>	<b>8.67</b>	<b>(1.51)</b>	<b>(201.77)</b>
Cash and cash equivalents - beginning balance	353.67	362.33	360.82
<b>Cash and cash equivalents - ending balance</b>	<b>362.34</b>	<b>360.82</b>	<b>159.05</b>

## 4.2.3 Summary table of important financial ratios from the consolidated financial statements

Financial ratios	2020	2021	2022
<b>Liquidity Ratio</b>			
Liquidity ratio (time)	2.11	1.95	1.81
Quick ratio (time)	1.72	1.49	0.81
Cash flow current ratio (time)	0.24	0.29	0.11 <sup>1/</sup>
Receivable current ratio (time)	11.09	11.35	10.28 <sup>1/</sup>
Average debt collection period (day)	32.45	31.72	35.03
Inventory turnover period (time)	10.65	9.94	8.47 <sup>1/</sup>
Average selling period (day)	33.80	36.20	42.52
Payable current ratio (time)	8.19	7.91	7.75 <sup>1/</sup>
Loan repayment period (day)	43.97	45.51	46.43
Cash Cycle (day)	22.28	22.41	31.12
<b>Profitability Ratios</b>			
Gross profit margin - selling (%)	43.54	37.20	36.91
Gross profit margin - service (%)	53.38	52.57	44.68
Gross profit margin (%)	47.83	43.56	40.55
Operating profit margin (%)	7.30	8.61	5.22
Other profit margin (%)	1.54	1.79	1.48
Cash to profit margin (%)	127.09	119.07	72.95
Net profit margin (%)	6.83	7.35	5.23
Return on equity (%)	13.54	16.75	13.21 <sup>1/</sup>
<b>Efficiency Ratios</b>			
Return on assets (%)	7.05	8.43	6.18 <sup>1/</sup>
Return on fixed assets (%)	64.35	76.71	63.50 <sup>1/</sup>
Asset turnover (time)	1.03	1.15	1.18 <sup>1/</sup>
<b>Financial Policy Ratios</b>			
Debt to equity ratio (time)	0.94	1.05	1.23
Interest bearing debt to equity ratio (time)	-	-	-
Interest coverage ratio (time)	210.14	298.11	78.55
Debt-service coverage ratio (time)	1.91	1.77	0.55
Dividend payout ratio (%)	0.15	0.20	0.14

Remark: <sup>1/</sup> Adjusted to full year figures for comparison

## 5. General and other Important Information

### 5.1 General Information, Name, Location, Telephone Number, Fax and Other References

#### 1. Issuing Company

Company name	:	AppliCAD Public Company Limited
Business type	:	Distribution of the complete design solutions for Mechanical and Engineering software, Architectural Engineering and Construction software, 3D Printing Technology; 3D Printer and 3D Scanner as well as other related services
Head office	:	69, Sukhumvit 68, Sukhumvit Road., Bangna Nuea, Bangna, Bangkok 10260
Company registration number	:	0107561000471
Tel.	:	0-2744-9045
Fax	:	0-2744-9049
Website	:	www.applicadthai.com

#### 2. Securities Registrar

Company name	:	Thailand Securities Depository Company Limited
Head office	:	93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok, 10400
Tel.	:	0-2900-9000
Fax	:	0-2900-9991
Website	:	www.set.or.th/tsd

#### 3. Auditor

Company name	:	Karin Audit Company Limited
Head office	:	72 CAT Telecom Tower, Floor24, Charoen Krung Road, Bangrak, Bangkok. 10500
Tel.	:	0-2105-4661
Website	:	www.karinaudit.co.th

#### 4. Internal Auditor

Company name	:	P&L Internal Audit Company Limited
Head office	:	281/157 The Fifth Avenue, B Building, 2 <sup>nd</sup> floor, Bangkok - Nonthaburi Road, BangKhen, Muang, Nonthaburi, 11000
Tel.	:	0-2526-6100
Website	:	www.plcorporation.com

## 5.2 Other important information

- None

## 5.3 Legal dispute

As of 31 December 2022, the Company and its subsidiaries are not the litigant or party in the following case;

1. Cases may have a negative impact on the assets of the Company and its subsidiaries with higher than 5% of shareholders' equity as at 31 December 2022.
2. Cases may have a negative impact on the operation of the Company and its subsidiaries significantly that is incalculable.
3. Case does not cause due to the normal business of the Company and its subsidiaries.

## 5.4 Secondary Market

- None

## 5.5 Financial institutions that regularly contact (only if the company issues debt instruments)

- None

## Part 2 Corporate Governance

## 6. Corporate Governance Policy

### 6.1 Overview of The Corporate Governance Policy and Principles

The Company has recognized the importance of good Corporate Governance Policy that will support the operation of the Company to be more effective and transparent for the competitive in the market and the sustainable growth. This can lead to the confidence of all stakeholders who are involved in the Company's operations with the fair act and always consider the benefits of employees, investors, shareholders and other stakeholders. Therefore, the Company has defined the good Corporate Governance Policy complying with the Corporate Governance Policy and Principles for the listed company of 2017 made by the Securities and Exchange Commission and the Stock Exchange of Thailand to be the guideline for the organizational management to ensure the Company's operation with fairness and transparency and also consider the benefits of all stakeholders as follows;

#### **Principle 1: Establish clear leadership role and responsibilities of the Board of Directors as the leader of the organization**

In order to make the understating of the roles and responsibilities as the leader of the organization for the Board of Directors, the Company has clearly defined the roles and responsibilities of the Board of Directors apart from the duties and responsibilities defined by the laws mentioned about the authorities and duties in the management of the Company in accordance with the laws, objectives, articles of association and resolutions of the Shareholders' Meeting with the responsibilities, prudence and honesty. The Company has also defined the authorities and responsibilities to the board of Directors to define the vision, mission, policy, direction, goal, strategies, plans, and the Company's annual budget, including the supervision and follow-up of the work in compliance with the laws, policy, plans and defined annual budget as well as evaluation and monitor performance report.

Furthermore, the Company has appointed the sub-committees to assist in supporting, checking and supervising the operation and management in accordance with laws, policy, and plans and defined annual budget, which consists of the Executives Committee, Audit Committee and Risk Management Committee. The Company has clearly defined the scope of authorities and responsibilities of the sub-committees and Risk Management Committee. In addition, the Company has prepared the charter for the Board of Directors and sub-committees and informed the information about that charter to the Board of Directors and sub-committees. Moreover, the Company has planned to annually review that charter in accordance with the direction of the Company.

The Board of Directors has created the business ethics and Corporate Governance Policy to be the guideline in the Corporate Governance practices for ethical business, respect the right and have the responsibility to shareholders and stakeholders and conduct the business that benefits to the society, environment as well as the ability to adapt to the changing factors.



**Principle 2: Define objectives that promote sustainable value creation**

The board of Directors has distinctly defined the obvious and suitable vision and mission of the Company to communicate to all stakeholders to understand the main objective and goal of the Company and to ensure that all employees in the Company adhere to as the main duty in order to achieve the defined objectives and goals.

The Company also has the policy to review and consider the strategic plan and budget every year to ensure that strategic plan and budget are consistent with the economic conditions and organizational potential including promoting the innovation and the application of innovation and technology.

Moreover, the Board of Directors is responsible for the supervision and monitoring of performance in accordance with the strategy and budget including the allocation of significant resources.

**Principle 3: Strengthen the Board of Directors' effectiveness**

The Company has a policy to properly establish the Board of Directors' structure in accordance with the Company's business and size and as required by law. The composition of the Board of Directors shall have a proportion between executive Directors and non-executive Directors who reflect appropriately balanced power. The Chairman of the Board of Directors and chief executive officer of the Company shall not be the same person in order to clarify the responsibility between the policy of governance and routine management.

In order to ensure that the Board of Directors has enough time to perform the duties of the Company, the Company requires each Director will be able to hold positions in other listed companies up to 5 companies and require attending the meetings not less than 75% of the Board of Directors' meeting will be held in that year and to arrange the Board of Directors' meeting at least 4 times a year.

The role of the Board of Directors is to find qualified people with the right knowledge, skills and experience that can serve as the advantage to the business of the Company to propose to the Shareholders' Meeting to consider the appointment of a Director of the Company after being the listed company on the Stock Market of Thailand.

The Company will disclose the information of Directors and executives such as age, education history, experience, stake shareholding, number of years being Director, number of times participating in the meeting, remuneration of the Board of Directors for both monetary and non-monetary, being Director in other listed companies, roles and responsibilities and performance report of the Audit Committee, Executive Committee and Risk Management Committees in the Company's annual report.

In addition, the Company has appointed Corporate Secretary to supervise and advise the Directors and management regarding compliance with laws, regulations, rules and regulations of the Company and also monitor the compliance with the practice correctly and consistently. Moreover, Corporate Secretary is responsible for arranging the Board of Directors' meeting and the Shareholders' Meeting including coordination for the implementation of the resolutions of the conference as well as any other duties as required by law.

To supervise subsidiaries and/or its affiliated, the Company will assign the qualified and experienced Directors or executives to conduct the business to represent the management of the subsidiaries and/or its affiliated

to formulate important policies and control the business of such subsidiaries and/or its affiliated. In this regard, the Directors representing the Company shall act in supervising subsidiaries and/or affiliated to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or shareholders of the Company approved in critical matters of subsidiaries and/or affiliated to maximize the benefit of the Company and to achieve sustainable growth of the Company.

#### **Principle 4: Recruitment and Development of Senior Executives and Personnel Management**

The Company has clearly set up a successor plan for key executive positions including the position of chief executive officer in order to maintain business continuity. The Company will provide the appropriate remuneration as an incentive for the chief executive officer and key executive positions that are critical to the organization to maximize the interests of the Company and shareholders.

The Company has provided knowledge to the Directors and the key executives by allocating to each of them to participate in training organized by various agencies to enhance new knowledge and perspectives as well as to provide executive development projects for the benefit of determining succession plans.

The Board of Directors will provide an evaluation of the duties of the chief executive officer and key executives every year to consider and develop capacity to increase productivity.

#### **Principle 5: Nurture innovation and responsible business**

The Board of Directors has focused on creating corporate culture, promoting innovation that contributes to the Company's customers, partners and partners. The development of the quality of the service, human resource development, environmental and social responsibility has always been taken into account by the Company to create a balance between business profits and social returns.

The Board of Directors has focused on the rights of all stakeholders, whether internal stakeholders or external stakeholders in order to create better understanding and cooperation between companies and stakeholders. This will be beneficial to the business and confidence building as well as to enhance the competitiveness of the Company in the long term. Therefore, the Company has established policies and practices as follows;

- Shareholders** : The Company is committed to conducting business to maximize the benefit of the Company and its shareholders as a whole with the knowledge and management skills effectively, honestly and fairly to major and minority shareholders by considering the good performance, stable growth and competitiveness.
- Employees** : The Company has recognized the importance of every employee in the Company which will be involved in driving the Company and developing the further business in the future. The Company has focused on the development of the potential and knowledge and skills of employees and cultivating good attitudes and consciousness

as well as considering providing fair, appropriate returns based on the knowledge of each employee's ability and providing adequate welfare.

**Customers** : The Company is responsible for the care to customers by focusing on sourcing and producing the quality products to meet customer needs as well as customer confidentiality, knowledge to customers to develop goods and services.

**Business partners and creditors** : The Company has fairly, equally and honestly treated business partners and creditors in business operations, not taking advantage and maintains interest with business partners and creditors as well as strictly comply with trade conditions and/or mutually joint contractual agreements to develop business relations that contribute to the benefits of both parties.

**Competitor** : The Company has behaved according to the good competition rules and laws set out and to maintain the norms of competitive practices and avoid dishonest ways to destroy competitors.

**Community and Society:** The Company has emphasized on cultivating the awareness to community and society in the Company as well as to support activities that contribute to the public and not to act contrary or illegal.

The Board of Directors will provide a framework for the governance and management of corporate information technology to meet the needs of the Company as well as to ensure that the technology used to increase the chance of business development and operations, risk management for the Company to achieve the objectives and goals of the organization.

#### **Principle 6: Strengthen effective risk management and internal control**

The Board of Directors will provide a framework of internal control system that covers all aspects of finance and operation in accordance with the law and to provide sufficient effective monitoring and balancing mechanisms to always protect the Company's assets, provide the process of approval and responsibility of the executives and employees who are monitored and balanced each other and define the procedure in written form. The Company has hired internal auditors from outside. Monitor the operations of all agencies in accordance with the regulations placed as well as assess the efficiency and adequacy of internal control of various agencies in the Company.

The Company has appointed the risk management team to consider and analyze potential risks with the Company and present risk management measures to prevent the impact on the Company's business and supervise risk management in accordance with the risk management policy prescribed.

The Board of Directors has emphasized on anti-corruption by defining a clear policy and communicating with relevant people to acknowledge and follow. The Board of Directors has also established the policy of whistleblowing and complaints as a mechanism for governance for those involved in compliance with the policies established with respect to the corporate governance.

The Company provides has measured to provide whistleblowing or complaints about wrongdoing, ethics and code of conduct or behavior that may be discussed with the corruption of Directors, executives and employees in the organization by providing a wide range of communication channels to enable employees and stakeholders to report complaints or complaints to the Company. The complainant shall provide a detailed notice, including name, address, telephone number, which can be contacted to the receipt channel as required by the Company.

#### **Principle 7: Ensure disclosure and financial integrity**

The Board of Directors has determined to supervise the compliance with laws and regulations relating to the disclosure by the Company will focus on the disclosure of accurate, complete and transparent information of the Company as well as financial information, general information and non-financial information so that all relevant people are aware of the information equally.

The Board of Directors is responsible for the preparation of the Annual Report, form 56-1, the Company's financial report and financial information that appears in the Annual Report. The preparation of financial reports is prepared in accordance with generally certified accounting standards, choosing the appropriate accounting policies and regular lists, and carefully exercises disinformation in preparation, as well as requiring adequate disclosure of important information in the notes to the financial statements. The Board of Directors assigned the Audit Committee to oversee the quality of financial reports and to comment on the Board of Directors.

In addition, the Board of Directors has placed importance on the financial liquidity of the Company and the company's debt repayment capabilities and report to the Board of Directors on a quarterly basis.

After being the listed company in the Stock Market of Thailand, the Company will publish the information of the Company to shareholders through channels and dissemination media of the Stock Exchange of Thailand and the Company's website and assigned Mr. Sorawat Nakmanee to contact and provide information to shareholders, investors, securities analysts or related entities, as well as any person with accurate, complete and true information.

#### **Principle 8: Ensure engagement and communication with shareholders**

The Board of Directors has emphasized on the rights of shareholders without any actions to violate or deprive shareholders' rights except the basic rights of shareholders such as the right to buy, sell or transfer shares they hold, the right to receive a share of profits from the Company, the right to attend the Shareholders' Meeting. The Company has focused on the rights of shareholders to obtain the Company's information properly, complete, adequately and equally in order to make decisions on all matters.

1. The Company shall arrange the Shareholders' Meeting to allow shareholders to consider important matters as required by law or that may affect the Company's business operations.

2. The Company will send the notice of the meeting with the accompanying information to shareholders prior to the meeting according to the meeting at the legal period. The Company will allow shareholders to complete the study of the information prior to the date of the Shareholders' Meeting, as well as the Company will allow shareholders to submit questions in advance of the meeting, and will set out the criteria to submit questions and publish such guidelines on the Company's website and the Company will gather to bring important questions to inquiries at the meeting.
3. The Company will allow minority shareholders to nominate candidates to nominate as Directors or propose additional agendas before the Shareholders' Meeting which will be assigned as clear guidelines and disclose the criteria to shareholders in advance and will provide reasons not to bring the agenda proposal of shareholders as an agenda of the Company to the Shareholders' Meeting at that time.
4. In case that the shareholders are unable to attend the meeting on their own, the Company will facilitate shareholders who are not able to attend the meeting on their own to be able to proxy at least one individual or appoint at least one independent Director to attend the meeting and vote on behalf of such shareholders by informing the list with the information of such independent Directors in the notice of the Shareholders' Meeting.
5. In case that the Company has foreign shareholders, the Company will make a notice of the meeting with the accompanying information of the entire meeting in English and deliver it to foreign shareholders with the delivery of the Thai version.
6. Add channels to acknowledge shareholder news via the Company's website after the Company is registered as a listed company on the Stock Exchange of Thailand, the Company will continue to publish the notice of the Shareholders' Meeting at least 14 days prior to the date of the meeting so that shareholders can easily and complete the information of the agenda.
7. The Company will facilitate all shareholders equally to attend the meeting in both location and time.
8. At the Shareholders' Meeting, the meeting will be conducted in accordance with the laws and regulations of the Company. It will consider and vote on the agenda set out in the order. It cannot change the matter, or add the agenda unnecessarily and to allow shareholders to have the equal rights in question, leaving a comment and recommendations.
9. The Company will use ballots on important agendas and provide independent parties such as external auditors, legal advisers, as auditors of voting at the meeting.
10. The Company will encourage all Directors and executives involved to attend the meeting to respond to questions from shareholders simultaneously.
11. Take note of the minutes of the meeting completely, accurately, transparently, and record the list of Directors and executives attending the meeting, how to vote and count votes resolutions of the

meeting, the results of the vote, including important questions and comments in the minutes of the meeting so that shareholders can be completed within 14 days from the date of the Shareholders' Meeting. In addition, the Company will provide a video of the meeting to preserve the reference, and after the Company is registered as a listed company on the Stock Exchange of Thailand, the Company will send the minutes of the meeting to the Stock Exchange of Thailand or related entities within the specified time, as well as to bring the minutes of the Shareholders' Meeting published on the Company's website for shareholders to consider.

## 6.2 Code of Conduct

In order to operate the Company's business in accordance with the principles of good Corporate Governance, the Company has set the Code of Conduct which is a guideline for Directors, executives and employees at all levels as follows;

### 1. Integrity

Directors, executives and employees must demonstrate honesty, ethics, transparency, including obeying the law and regulations related to business operations, not doing any acts which are corrupt, corrupt, bribery by offering or promising to give money, property, things or benefits Including giving an advantage to others to motivate themselves or others from benefit they should not get, including must strictly adhere to anti-corruption measures.

In addition, Directors, executives or employees must not provide support or participate in any participations that will lead to bribery or various forms of corruption for the benefit of oneself, family, friends and acquaintances.

### 2. Objectivity

Executives and employees shall act with fairness, honesty, free from prejudice and prejudice, and maintain impartiality in the exercise of discretion in performance.

### 3. Independence

Directors, executives and employees must be independent in performing their duties and using comments and suggestions regardless of personal and family interests, as well as not being under the influence of a person or any group of people and without any situation that can force them not to comment as they should be.

### 4. Knowledge and competence

Directors, executives and employees should use the knowledge, abilities, skills and experience necessary to perform their jobs. They should not accept or perform work in which they do not have the knowledge and competence unless they have been advised or supported to have sufficient knowledge and competence in performing their work.

### 5. Confidentiality

Directors, executives and employees should keep the information they receive in their operations. And should not disclose information without the permission of authorized persons Except in the case of legal disclosure and it is forbidden to use confidential information obtained in the performance of duties for personal gain, friends and relatives.

### 6. Carefulness

Director, executives and employees should act with caution in the use of knowledge., competency, skills, judgment and conduct.

## 7. Political relevance

The Company is politically neutral without committing to or supporting any political party or anyone with political power, and the Company also respects the right to freedom of political rights of employees, such as voting or being membership of political parties.

Directors, executives and employees should avoid serving as committee of political parties or representing politicians in various activities or be a member of a local government organization and avoid making political opinions in the workplace and in the workplace and at work times that may cause conflicts. It also prohibits the use of company resources to support political activities, either directly or indirectly.

## 8. Respect for Principle of International Human Rights

Directors, Executives and Employees should respect each person's dignity, independence, privacy and dignity, legitimate rights and human rights and benefits of stakeholders including maintaining human rights in accordance with labor laws and regulations related equally and fairly decision-making of Director, management and staff. They should be impartial and treat everyone equally without gender classification or race. In addition, Directors, Executives and Employees must strictly adhere to human rights principles, which is considered as part of the operation and does not support activities that violate international human rights principles.

**Details of Code of Conduct for stakeholders that Directors, executives and employees are responsible as the following:**

### 1. Code of Conduct on responsibility to the Company

- 1.1 Perform duties responsibly, taking the Company's interests as a priority.
- 1.2 Do not conduct or take any competitive action or may cause competition with the Company's business.
- 1.3 Perform duties with integrity.
- 1.4 Responsible for making the most of the use and preservation of the Company's assets, including not for personal or other benefits other than the Company's business.
- 1.5 Work with the best knowledge and experience to fully benefit the Company.
- 1.6 Strictly follow the rules, regulations and articles of association of the Company.
- 1.7 Avoid exercising their authority or allowing others to rely on their authority, whether directly or indirectly, to exploit oneself or others.
- 1.8 Avoid adoption in a manner that exceeds normal relationships from other persons whose business is related to the Company's work.
- 1.9 Avoid commenting to third parties in matters that may affect the Company's reputation and operations.
- 1.10 Do not use the Company's sensitive information or news for profit or other benefits, directly or indirectly, and maintain the Company's confidentiality by taking care and being careful not to provide confidential documents or news of the Company that should not be disclosed to third



parties in strictly accordance with the Company's Data Confidentiality, Policy and Disclosure Policy, which appears in Section 3 of this manual.

- 1.11 Whistleblowing or complaints when seeing clues of illegal acts, ethics or behaviors that indicate corruption or misconduct of people in the organization both from employees and other stakeholders, including incorrect financial reports or the internal control system that is defective for the benefit of the Company in accordance with the complaints of the Company which is strictly shown in Section 5 of this manual.

## **2. Code of Conduct on responsibility to Shareholders**

- 2.1 Perform duties with honesty within the legal framework and regulations of the Company by adhering to this code of conduct in conducting various transactions and in every decision-making activity, in order to operate the business in good faith, transparency and accountability.
- 2.2 Perform duties with full knowledge and capabilities as professional by using knowledge experience in performing their duties fully.
- 2.3 Commit to treating of shareholders' information by protecting confidentiality and maintaining trust as if they are treating their own information.
- 2.4 Disclosure of the Company's information accurately, adequately and timely in accordance with the rules of the Office of the Board of Directors, SEC and The Stock Exchange of Thailand.

## **3. Code of Conduct on responsibility to employees**

- 3.1 Provide fair and suitable compensation and provide adequate welfare in accordance with situation for employees.
- 3.2 Maintain a safe working environment for life and property of its employees.
- 3.3 The appointment, relocation of employees, including awarding and punishing employees, must be done with equality, integrity and based on knowledge, competence and appropriateness.
- 3.4 Give importance to development, knowledge transfer of employees by giving employees thorough and consistent opportunities.
- 3.5 Provide training and seminars regularly to develop knowledge and working skills of employees.
- 3.6 Protect the privacy of employees. Do not disclose personal information such as salary, medical history, family history to third parties.
- 3.7 Listen to opinions and suggestions from employees of all levels equally and equitably. Employees are given opportunities to clarify or complain about wrongdoing, incidents or situations that affect their work or decisions of employees in accordance with the receipt of complaints of the Company in Section 5 of this manual.

## **4. Code of Conduct on responsibility to customers**

- 4.1 Treat customers fairly in terms of products and services.
- 4.2 Disclose product information and services accurately and completely.
- 4.3 Maintain confidential information and customer information

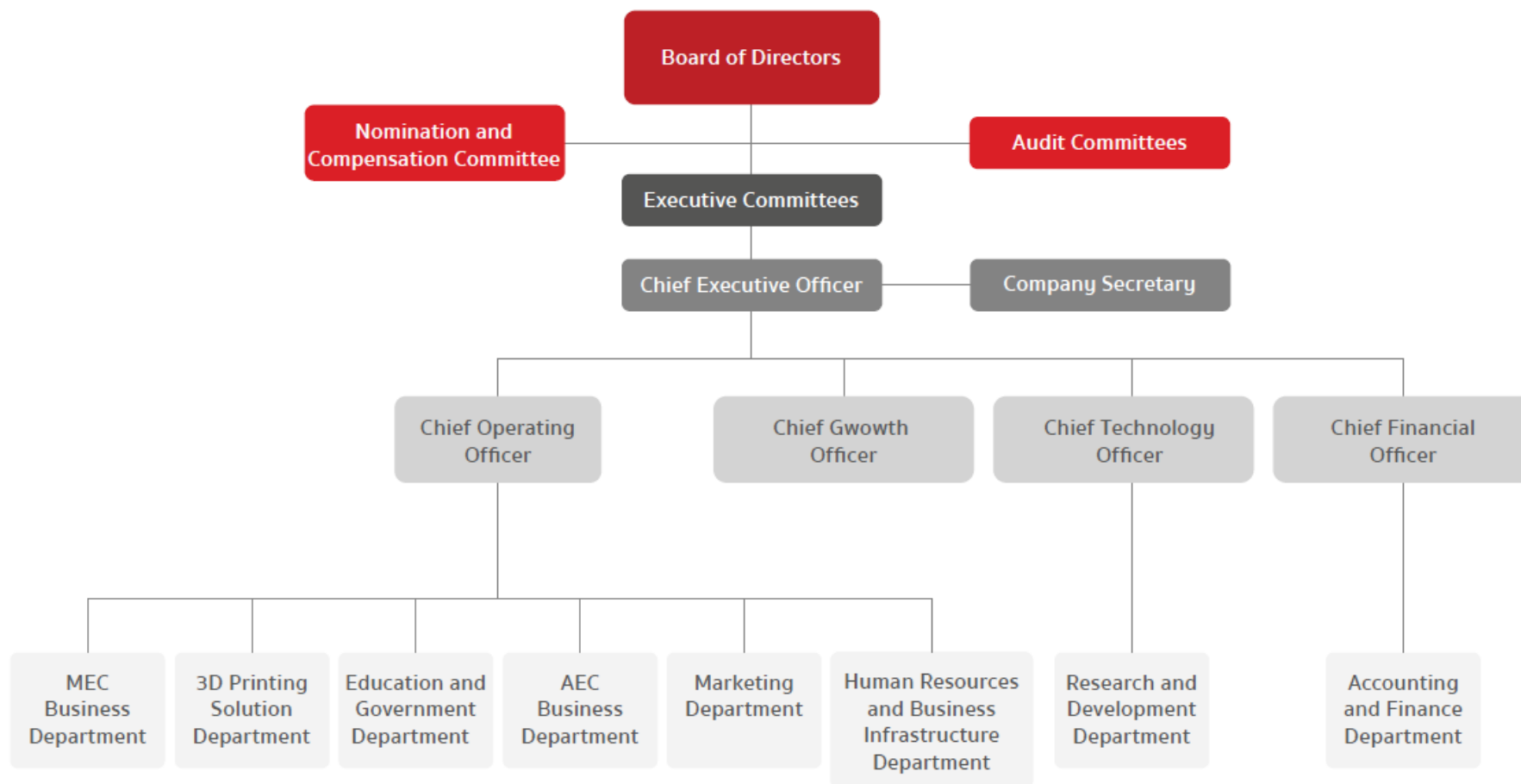
- 4.4 Educate customers to develop products and services.
- 4.5 Provide a channel for customers to complain about products and services in accordance with the complaints of the Company in section 5 of this manual.
- 5. Code of Conduct on responsibility to business partners**
  - 5.1 Treat trade partners fairly, fairly and on the basis of fair compensation to both parties.
  - 5.2 Strictly comply with the agreed contracts or conditions. In case of inability to comply with the conditions, we will immediately notify the partner to find a solution.
- 6. Code of Conduct on responsibility for competitors**
  - 6.1 Practice within the framework of good competition.
  - 6.2 Do not seek confidential information of competitors through dishonest or inappropriate means.
  - 6.3 Do not damage the reputation of competitors by making malicious accusations.
- 7. Code of Conduct on responsibility to Trade Creditors**
  - 7.1 Treat trade creditors equally, fairly and on the basis of fair returns to both parties.
  - 7.2 Strictly comply with the agreed contracts or conditions. In case of inability to comply with the conditions, the creditors will be notified immediately to find a solution.
- 8. Code of Conduct on social responsibility and education**
  - 8.1 Do not take any action that will affect the damage to society.
  - 8.2 Raise awareness of social responsibility to employees at all levels.
  - 8.3 Promoting the development of social quality by focusing on education, knowledge development for employees.

### 6.3 Other actions according to the principles of good Corporate Governance

- None

## 7. Corporate Governance Structure and Important Information about the Board of Directors, Sub-committees, executives, employees and others

### 7.1 Corporate Governance Structure



Remark: The Company employed P&L Internal Audit Public Company to check the internal control of the Company.

## 7.2 Board of Directors of the Company

The list of the Board of Directors as of 31 December 2022 consists of 8 directors as follows;

Name – Last name	Position
1. Asst. Prof. Dr. Prasert Kanthamanon	Chairman of the Board of Directors and Independent Director
2. Dr. Isra Akrapitak	Director and Chief Executive Officer
3. Mr. Somsak Worraraksa	Director
4. Ms. Thitiporn Chartaisong	Director
5. Ms. Siriporn Tangadulrat	Director
6. Mrs. Bongkot Rungkornpaisan	Chairman of the Audit Committee and Independent Director
7. Mr. Thanin Pornsiritivet	Audit Committee and Independent Director
8. Dr. Niti Nemgchamnong	Audit Committee and Independent Director

Remarks:

1. Mr. Prakrit Laobooncharoen resigned from Director on 25 February 2022 and Mrs. Siriporn Tangadulrat was appointed as a Board member by resolution of the Board of Directors Meeting No. 2/2022
2. Mr. Prapas Tangadulrat resigned from Director on 29 June 2022 and Dr. Isra Akrapitak was appointed as a Board member according to the resolution of the Board of Directors Meeting No. 4/2022
3. Dr. Sunee Sornchaithanasuk resigned from the positions on 10 August 2022 and Mrs. Bongkot Rungkornpaisan was appointed as an Audit Committee and Independent Director according to the resolution of the Board of Directors Meeting No. 4/2022.

And Mr. Sorawat Nakmanee is a company secretary.

### The authorized director of the Company

- (1) Dr. Isra Akrapitak signs together with Ms. Thitiporn Chartaisong and the seal of the Company or
- (2) Dr. Isra Akrapitak or Ms. Thitiporn Chartaisong signs together with Mr. Somsak Worraraksa as two directors and the seal of the Company.

### The Board of Directors' meeting

In 2021 and 2022, the Company held the Board of Directors' meeting for 4 times and 6 times respectively as the following details of each director;

Name – Last name	Position	No. of meeting attended/ total No. of meeting	
		2021	2022
1. Asst.Prof.Dr. Prasert Kanthamanon	Chairman of the Board of Directors and Independent Director	4/4	6/6
2. Mr. Prapas Tangadulrat	Director	4/4	2/2
3. Dr. Isra Akrapitak	Director	-	2/2
4. Mr. Somsak Worraraksa	Director	4/4	6/6
5. Ms. Thitiporn Chartaisong	Director	4/4	6/6
6. Ms. Siriporn Tangadulrat	Director	-	4/4
7. Mr. Prakrit Laobooncharoen	Director	4/4	-
8. Dr. Sunee Sornchaitanasuk	Chairman of the Audit Committee and Independent Director	4/4	4/4
9. Mrs. Bongkot Rungkompaisan	Chairman of the Audit Committee and Independent Director	-	2/2
10. Mr. Thanin Pomsiritivet	Audit Committee and Independent Director	4/4	6/6
11. Dr. Niti Nerngchamnong	Audit Committee and Independent Director	1/1	6/6

Remarks:

1. Mr. Prakrit Laobooncharoen resigned from Director on 25 February 2022 and Mrs. Siriporn Tangadulrat was appointed as a Board member by resolution of the Board of Directors Meeting No. 2/2022
2. Mr. Prapas Tangadulrat resigned from Director on 29 June 2022 and Dr. Isra Akrapitak was appointed as a Board member according to the resolution of the Board of Directors Meeting No. 4/2022
3. Dr. Sunee Sornchaitanasuk resigned from the positions on 10 August 2022 and Mrs. Bongkot Rungkompaisan was appointed as an Audit Committee and Independent Director according to the resolution of the Board of Directors Meeting No. 4/2022.

### 7.3 Sub-Committee

#### Audit Committee

As of 31 December 2022, Audit Committee consists of 3 directors as follows;

Name – Last name	Position
1. Mrs. Bongkot Rungkompaisan	Chairman of the Audit Committee and Independent Director
2. Mr. Thanin Pomsiritivet	Audit Committee and Independent Director
3. Dr. Niti Nerngchamnong	Audit Committee and Independent Director

Remark: Dr. Sunee Sornchaithanasuk resigned from the positions on 10 August 2022 and Mrs. Bongkot Rungkornpaisan was appointed as an Audit Committee and Independent Director according to the resolution of the Board of Directors Meeting No. 4/2022.

And Mr. Sorawat Nakmanee is a secretary of Audit Committee.

### **The Audit Committee's meeting**

In 2021 and 2022, the Company held the audit committee's meeting for 4 times and 4 times respectively as the following details of each director;

Name – Last name	Position	No. of meeting attended/ No. total meeting	
		2021	2022
1. Dr. Sunee Sornchaitanasuk	Chairman of the Audit Committee	4/4	3/3
2. Mrs. Bongkot Rungkornpaisan	Chairman of the Audit Committee	-	1/1
3. Mr. Thanin Pornsiritivet	Audit Committee	4/4	4/4
4. Dr. Niti Nerngchamnong	Audit Committee and Independent Director	1/1	4/4

Remark: Dr. Sunee Sornchaithanasuk resigned from the positions on 10 August 2022 and Mrs. Bongkot Rungkornpaisan was appointed as an Audit Committee and Independent Director according to the resolution of the Board of Directors Meeting No. 4/2022.

### **Nomination and Compensation Committee**

As of 31 December 2022, Nomination and Compensation Committee consists of 3 directors as follows;

Name – Last name	Position
1. Mr. Thanin Pornsiritivet	Chairman of the Nomination and Compensation Committee
2. Mrs. Bongkot Rungkornpaisan	Nomination and Compensation Committee
3. Dr. Isra Akrapitak	Nomination and Compensation Committee

Remarks: Dr. Sunee Sornchaithanasuk resigned from the positions on 10 August 2022 and Mrs. Bongkot Rungkornpaisan was appointed according to the resolution of the Board of Directors Meeting No. 4/2022.

And Mr. Sorawat Nakmanee is a secretary of Nomination and Compensation Committee

### The Nomination and Compensation Committee's meeting

In 2021 and 2022, the Company held the Nomination and Compensation Committee's meeting for 1 time and 4 times respectively as the following details of each director;

Name – Last name	Position	No. of meeting attended/ No. total meeting	
		2021	2022
1. Dr. Sunee Sornchaitanasuk	Chairman of the Nomination and Compensation Committee	1/1	3/3
2. Mr. Thanin Pomsiritivet	Chairman of the Nomination and Compensation Committee	1/1	4/4
3. Mrs. Bongkot Rungkornpaisan	Nomination and Compensation Committee	-	1/1
4. Dr. Isra Akrapitak	Nomination and Compensation Committee	1/1	4/4

Remarks: Dr. Sunee Sornchaitanasuk resigned from the positions on 10 August 2022 and Mrs. Bongkot Rungkornpaisan was appointed according to the resolution of the Board of Directors Meeting No. 4/2022.

### Executive Committee

As of 31 December 2022, the Company has 6 executive directors as follows;

Name – Last name	Position
1. Dr. Isra Akrapitak	Chief Executive Officer
2. Mr. Somsak Worraraksa	Executive Director
3. Ms. Thitiporn Chartaisong	Executive Director
4. Mr. Prakrit Laobooncharoen	Executive Director
5. Mr. Jeerawat Kulsapudom	Executive Director
6. Ms. Siriporn Tangadulrat	Executive Director

And Mr. Sorawat Nakmanee is a secretary of Executive Committee

### 7.4 Scope of Responsibilities

The structure of the Board of Directors consists of 4 sets of committees; the Board of Directors, the Audit Committee, Nomination and Compensation Committee and the Executive Committee which are fully qualified under Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and as announced by the Relevant Capital Markets Commission. In this regard, the scope of the authority of the Board of Directors is as follows;

### Scope of responsibilities of the Board of Directors

1. The Committee shall have the power, duties and responsibilities of the management and operations of the Company according to the laws, the Articles of Association of the Company as well as the resolutions of the Shareholders' Meeting with honesty and careful to maintain the Company's interests.
2. Arrange the board meeting at least 3 months at a time
3. Perform the appropriate and efficient accounting systems and provide reliable financial reporting and auditing, as well as provide adequate and appropriate internal control systems and internal audit systems.
4. Arrange the balance sheet and income statement of the Company as at the end of the accounting period of the company verified by the auditor and present to shareholders for consideration and approval.
5. Set goals, policies, plans business, the Company's budget as well as monitoring and supervision of administration and management of the Company and its subsidiaries in accordance with the policies, plans, budgets and compliance with applicable laws, as well as the notifications, regulations and relevant guidelines of the Capital Market Commission, the Securities and Exchange Commission, the Stock Exchange of Thailand such as the related party transaction, acquisition or disposal of major assets as far as non-conflicting or controversial to other laws.
6. Review and approve policy directions, strategies, business operations of the Company proposed by management.
7. Continuously monitor operations in accordance with roadmap and budget.
8. Consider and define the risk management policy to cover both the organization and supervise the system or process of risk management, with support measures and control methods to reduce the impact on the Company's business properly.
9. Consider and establish the management structure, the power to appoint the subcommittee, the chief executive officer and other subcommittees as appropriate including the scope of the authority of such persons.

In this regard, the delegation stipulated by the scope of the authority must not be as a delegation that makes the subcommittee, chief executive officer and other subcommittees can consider and approve potential conflicts of interest, interest or any other conflicts of interest with the Company or its subsidiaries, except as an approval of items in accordance with the policies and guidelines already considered and approved by the Board of Directors.

10. Prepare the annual report and be responsible for the preparation and disclosure of financial statements to reflect the financial operating results in the past year and presented to the meeting of shareholders for consideration and approval.



11. The Board of Directors may authorize one or several directors or any other person to perform on behalf of the Board of Directors under the control of the Board of Directors or provide the authority to have such persons as the Board of Directors deemed appropriate within the period of time that the Board of Directors deems appropriate, which the Board of Directors may revoke, change or amend the authority when deemed appropriate.

In this regard, the authorization is not allowed for such people to consider and approve their projects or individuals that may be conflicts of interest, interest or any other conflicts of interest with the Company or its subsidiaries as such definition in notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand except as an approval of items in accordance with the policies and guidelines already considered and approved by the Board of Directors.

#### **Scope of responsibilities of the Audit Committee**

1. To review the financial reporting of the Company to be accurate and adequate.
2. To review the system of internal control (Internal Control) and internal audit (Internal Audit) of the Company to be appropriate and effective and consider the independence of the internal audit agency, as well as to approve the appointment, transfer, dismissal of the head of the internal audit agency or any other agency responsible for internal audit.
3. To review the management, practices and policies, risk management (Risk Management) as required.
4. To review the Company to comply with the Securities and Exchange Commission law, terms of the Stock Exchange and laws related to the Company's business.
5. Consider, select, propose, appoint an independent person to act as auditor of the Company and offer the remuneration of such persons, as well as attend meetings with the auditor without management at least once a year.
6. Consider the related party transactions or transactions that may have a conflict of interest in accordance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are reasonable and in the best interests of the Company.
7. Prepare the Report of the Audit Committee disclosed in the annual report of the Company. The report must be signed by the Chairman of the Audit Committee and must contain at least the following information;
  - a) Opinion on the accuracy, completeness and reliability of the Company's financial reports
  - b) Opinion on the adequacy of the Company's internal control system
  - c) Opinion on the terms of the Stock Exchange or the laws relating to the Company's business
  - d) Opinions about the appropriateness of the auditor
  - e) Opinion on transactions that may have a conflict of interest
  - f) Number of Audit Committee meetings and attendance of each audit committee
  - g) Overall opinion or observations received by the Audit Committee from charter

- h) Other items that see that shareholders and investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
- 8. Have the right to be independent of any professional consultant's fees as deemed necessary by the Company.
- 9. Perform other duties as the Board of Directors approved with the opinion of the Audit Committee.

#### **Scope of responsibilities of the Nomination and Compensation Committee**

1. Consider the structure, composition and qualifications of the Company's directors and senior management of the Company.
2. Determine the vision and strategy of human resources and the Company's senior management development plan.
3. Ensure that the Board of Directors of the Company has appropriate sizes and components for the organization, including modification in accordance with the changing environment.
4. Determine policies, rules, procedures and processes that are clear, transparent, appropriate and beneficial to the organization in the recruitment, dismissal or dismissal of directors and high-level executives of the Company and propose to the Board of Directors of the Company for approval in order for the Company to have qualified board members and executives with appropriate knowledge and experience in the operation of the Company to be more effective and successful.
5. Establish guidelines, criteria, methods and processes that are effective in evaluating the performance of the Board of Directors and senior management of the Company by comparing with the annual target that is related to the jointly set business plan to consider adjusting the annual return. It has to take into account the duties, responsibilities and risks involved, as well as pay attention to the increase in shareholders' equity in the long term in consideration of the evaluation.
6. Determine compensation policies and strategies, including salary, meeting allowances, allowances, bonuses or other types of benefits, including the amount of remuneration and other benefits to the directors and senior management of the Company to propose to the Board of Directors for approval with clear and transparent rules and suitable duties and responsibilities and based on performance to be able to induce, maintain and motivate personnel with high potential and required qualifications.
7. Provide a succession plan for important management positions and to be reviewed regularly by assessing the importance of the position, recruiting and developing so that there are successors in management who have knowledge, abilities, experience and other qualifications that meet the needs and benefit the organization for efficiency Productivity and the Company's growth.
8. Select and nominate qualified persons to hold positions of directors and high-level executives of the Company by inviting specialists to participate in the recruiting process as needed at the Company's expense.
9. Disclosure of various compensation policies, including the amount of directors' remuneration in the Company's annual report.

10. Evaluate the performance of the Nomination and Remuneration Committee and report to the Board of Directors for the year.
11. Perform any other duties as assigned by the Board of Directors.

#### **Scope of responsibilities of the Executive Committee**

1. To consider the proposal of the management and present the business plan, including the Company's annual budget to the Board of Directors to approve.
2. To supervise the Company's business operations in accordance with the policy, goals, business plans, and budgets that are defined and supervise quality and efficiency operations.
3. To consider and approve normal business operations such as investments in accordance with investment statements or budgets approved by the Board of Directors, order products, sales order and so on. The limit for each item is in accordance with the approval table approved by the Board of Directors.
4. To establish the employment rate and consider adjusting the salary, employee bonus from the chief operating officer level, as well as to consider approving the capacity of people who are not in the annual budget in accordance with the approval table approved by the Board of Directors.
5. To consider the profits and losses of the Company, proposal of annual dividend or interim dividend payment to propose to the Board of the Company to approve.
6. To give the power to authorize any other person to one person or several people operating one under the control of the executive committee or may authorize the authority to grant such person the authority as deemed appropriate, and within the time of the executive committee deems appropriate. The executive committee may cancel, revoke, change or modify the person who has been authorized or authorized to be authorized as deemed appropriate.
7. Perform other duties according to the Board of Directors assigned from time to time

In this regard, the assignment of authority and responsibility of the executive committee shall not be as authorized or sub-authority that allows the authorized person stake from the executive committee to approve transactions of which they or the person may have conflicts (according to the definition of the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies), interests or may have any other conflict of interest with the Company or its subsidiaries and/or related companies. The executive committee does not have the authority to approve the operation of such matters. This must be proposed to the Board of Directors' Meeting and/or the meeting of shareholders (as a case) for further approval, except as an approval of transactions in accordance with normal business and regular trading conditions in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies.

#### **Scope of Authority, Duties and Responsibilities of the Chief Executive Officer**

1. Supervise the operation and/or daily administration of the Company

2. Prepare the business plans as well as the Company's business strategy and annual budget to propose to the Executive Committee and the Board of Directors of the Company for further approval.
3. To supervise the operation or performance of the Company according to the policies, plans and budgets approved by the Board of Directors of the Company and to monitor and evaluate the performance of the Company according to the policy and consistent with good governance as well. And report the performance of management including progress in the implementation to the executive committee, Audit Committee and the Board of Directors.
4. To consider and approve regular business operations in accordance with investment statements or budgets approved by the Board of Directors. The limit for each item is in accordance with the approval table approved by the Board of Directors. However, it shall not exceed the annual budget approved by the Board of Directors including the agreement relating to such matters.
5. Have the authority to consider and approve the Company's regular business operations in accordance with the budget approved by the Board of Directors and in accordance with the approval authority approved by the Board of Directors.
6. Have the authority to approve manpower, employment, packing employee, determining wages and bonuses, remuneration and appointment of employee as well as determining the duties and responsibilities of each department and position for the deputy director downward.
7. Have the power to issue orders, regulations, announcements and records for the operations of the Company according to the policies and interests of the Company and to maintain discipline within the organization.
8. Have the authority to appoint committee or other working groups for the benefit and efficiency of good management and transparency and have the power to authorize any other person to one person or several people operating one under the control of the Chief Executive Officer or may authorize the authority to grant such person the authority as deemed appropriate and within the appropriate time. The chief executive officer may cancel, revoke, change or modify the person who has been authorized or authorized to be authorized as deemed appropriate.
9. Perform other duties as assigned by the Executive Committee or the Board of Directors.

In this regard, the implementation of the chief operating officer or a person authorized by the chief executive officer, or a person who may have conflicts of interest (in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies) interests or may have any other conflict of interest with the Company or its subsidiaries and/or related companies. The chief executive officer does not have the authority to approve the operation of such matters. This must be proposed to the Board of Directors' Meeting and/or the meeting of shareholders (as a case) for further approval, except as an approval of transactions in accordance with normal business and regular trading conditions in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies.

### The authority of approval

The Company has approved the operations as follows;

List	Chief Executive Officer	Executive Committee	Board of Directors
1. Approval of the investment exceeded the investment budget approved	10% And report to the Board of Directors	20% And report to the Board of Directors	> 20%
2. Approval of the investment plan apart from budget plan	≤ 1 million baht And report to the Board of Directors	≤ 10 million baht And report to the Board of Directors	> 10 million baht
3. Approval of the order to sell	≤ 5 million baht	≤ 30 million baht	> 30 million baht
4. Approval of the non-product orders to sell	≤ 1 million baht	≤ 30 million baht	> 30 million baht
5. Sales approval	≤ 5 million baht	≤ 30 million baht	> 30 million baht

### 7.5 Executive

As of 31 December 2022, the Company has 9 executives as follows;

Name – Last name	Position
1. Dr. Isra Akrapitak	Chief Executive Officer
2. Ms. Thitiporn Chartaisong	Chief Financial Officer
3. Mr. Jeerawat Kulsapudom	Chief Growth Officer
4. Mr. Somsak Worraraksa	Director of AEC Business Department
5. Mr. Thussanai Paisiriyaunyong	Executive Director
6. Mr. Krirkrit Jearnkamonchuen	Director of MEC Business Department Director of 3D Printing Solution Department
7. Mr. Chayo Petcharat	Director of Research and Development Department
8. Mrs. Khwanchai Viriyasumon	Accounting manager - AppliCAD Public Company Limited
9. Miss Phiemzetha Zibhunyarnt	Accounting manager - Subsidiaries

## 7.6 Remuneration of Directors and Executives

### 1. Monetary Remuneration

#### Remuneration of Directors

From 2020 to 2022, the Company has provided the meeting allowance to the Board of Directors as follows;

(Unit: Baht)

Name – Last name	2020	2021	2022
1. Mr. Prasert Kanthamanon	240,000	150,000	180,000
2. Mr. Prapas Tangadulrat	40,000	25,000	20,000
3. Mr. Somsak Worraraksa	40,000	25,000	60,000
4. Ms. Thitiporn Chartaisong	40,000	25,000	60,000
5. Mr. Prakrit Laoboontharoen	140,000	87,500	-
6. Ms. Siriporn Tangadulrat	-	-	52,500
7. Dr. Sunee Sornchaitanasuk	242,500	240,000	232,500
8. Mrs. Bongkot Rungkornpaisan	-	-	75,000
9. Mr. Thanin Pornsiritivet	210,000	167,500	225,000
10. Mr. Jeerawat Kulsapudom	210,000	87,500	-
11. Dr. Niti Nerngchamnong	-	35,000	175,000
12. Dr. Isra Akrapitak	-	5,000	20,000
<b>Total</b>	<b>1,162,500</b>	<b>847,500</b>	<b>1,100,000</b>

Remark: From the Annual General Meeting of Shareholders for the year 2022 on 28 April 2022 had the resolution to consider and approve the remuneration of Directors as follows;

(Unit: Baht)

Position	meeting allowance / person / one time
<b><u>Board of Directors</u></b>	
- Chairman of the Board of Directors	30,000
- Director who is not executive	17,500
- Director who is executive	5,000
<b><u>Audit committee</u></b>	
- Chairman of the Audit Committee	30,000
- Audit Committee	17,500
<b><u>Nomination and Compensation Committee</u></b>	
- Chairman of the Nomination and Compensation Committee	20,000
- Nomination and Compensation Committee	10,000
- Nomination and Compensation Committee	5,000

**Remuneration of Executives**

From 2020 to 2022, the Company has provided the remuneration to the executives as 20.68 million baht, 22.61 million baht and 23.30 million baht. This remuneration includes a salary, a bonus, a contribution to provident fund and a commission.

Year	No. of executive (Person)	Remuneration (Baht)
2020	9	20,681,291.04
2021	10	22,618,963.79
2022	9	23,297,193.70

**2. Other remunerations**

○ None

**7.7 Personnel Information****Number of personnel**

As of 31 December 2020 to 2022, the Company has the total employees of 373, 377 and 373 respectively classified as business unit as the following details;

Business unit	Number of employees		
	As of 31 Dec 2020	As of 31 Dec 2021	As of 31 Dec 2022
1. Executives	9	10	9
2. Management	4	4	4
3. 3D Printing Solution Department	32	33	35
4. Education and Government Department	10	10	11
5. AEC Business Department	64	56	46
6. Marketing Department	21	21	21
7. MEC Business Department	88	92	91
8. Accounting and Finance	22	25	29
9. Human Resources and Business Infrastructure	19	19	18
10. Research and Development Department	24	31	30
11. Subsidiaries' employee	80	76	79
<b>Total</b>	<b>373</b>	<b>377</b>	<b>373</b>

## Employee remuneration

### Monetary remuneration

From 2020 to 2022, the Company and its subsidiaries have paid the remuneration to the employees (excluding executives) as, 191,465,243.41 baht, 201,397,030.09 baht and 204,782,854.81 baht respectively. This remuneration is a salary, a commission, overtime, a bonus, a contribution to social insurance funds and a contribution to the provident fund.

### Other remuneration

None

### Significant labor disputes in the past three years

None

## Personnel development Policy

The Company has realized that the personnel are the significant resources in the organization. Therefore, the Company has emphasized and focused on the human resource management by defining the human resource management policy as the key principle as follows;

1. The Company will manage human resources to support and comply with and the vision, policy as well as the strategy of the Company.
2. The Company will establish a clear, transparent and fair human resource management system and can be adjusted in accordance with current circumstances.
3. The company will focus on recruitment by providing a fair and efficient recruitment and selection system to provide talent to be consistent with the organization's culture.
4. The Company will focus on the personnel development to be more knowledgeable and capable by arranging the training in various ways regularly.
5. The Company will manage the wages and benefits to the employees by considering the duties and responsibilities of each position, ability of each employee as well as the ability to compete in the market.
6. The Company will allocate welfare appropriately. In addition, the Company's Board of Directors is considering the benefits and necessities of the personnel in accordance with the Company's capabilities, the nature of the business by considering to be improved in line with the changes in the economic and social conditions.
7. The Company focuses on creating a welcoming atmosphere and creating a better understanding as well as arranging the environment to be safe to operate in order to make the relationship between the Company and employees and between employees and employees run smoothly and friendly including hearing problems, and resolve to cooperate with the employees like the family.



## 7.8 Other important information

### Company Secretary

Name – Last name	Position
1. Mr. Sorawat Nakmanee	Company Secretary

In the Board of Directors' meeting no.6/2020 on 14 August 2020, Mr. Sorawat Nakmanee was appointed as a company secretary from the resolutions of the Board of Directors' meeting in accordance with the section 89/15 of the Securities and Exchange Act B.E. 2535, revised by the Securities and Exchange Act (No. 4), B.E. 2551 which defines the responsibilities of the company secretary as follows;

1. To supervise and advise directors and executives regarding compliance, regulations, rules, articles of association as well as to monitor the right practices correctly and consistently.
2. To be responsible for the board of directors' meetings and shareholders' meetings, as well as the coordination of such meetings as the rules of the meeting.
3. To supervise the information disclosure and reporting in the responsible section in accordance with rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission, as well as related laws.
4. To prepare and store the following document;
  - 1 Registration of Director
  - 2 Notice and report of the Board of Directors' meeting
  - 3 Notice and report of the Shareholders' meeting
  - 4 Annual Report
  - 5 Stakeholder report of executive directors

### Investor Relations

Name – Last name	Position
1. Ms. Kanyarat Kampankaew	Investor Relations

If any investors require more information, please contact investor relations as following information;

Address: 69, Sukhumvit 68, Sukhumvit rd., Bangnaneua, Bangna, Bangkok, 10260

Telephone Number: 0-2744-9045

Email: [ir@applicadthai.com](mailto:ir@applicadthai.com)

## Audit Fee

In the fiscal year of 2022 ended 31 December 2022, the Company paid the audit fee to the Company's auditor, Karin Audit Co., Ltd. as the amount of 1,950,000 baht, which is the audit fee and the interim financial statements for the Company and its subsidiaries as well as the consolidated financial statements. In addition to such compensation, the Company has not paid other non-audit fees.

## 8. Report on performance of important corporate governance

### 8.1 Nomination and appointment of directors and top-level executives

The selection of persons to be appointed as directors of the Company shall be done through the meeting of shareholders. The Board of Directors will consider from the experience, knowledge, competence and qualifications required by law. Since the Company does not have the Nomination Committee to select the person who will hold such position, then the meeting of shareholders will select in accordance with the criteria and procedures set in the Articles of Association of the Company.

#### 1. The composition and appointment of the Board of Directors.

1. Shareholders shall consider and approve the appointment of the Board of Directors.
2. The Board of Directors consists of at least 5 directors and not less than half of the total number of directors must be resident in the Kingdom and must meet the required laws.
3. The Company has a policy that Chairman and chief operating officer shall not be the same person to achieve clarity on the responsibilities between policy making, governance and management.
4. The Board of Directors structure shall consist of independent directors in the right amount to supervise the activities which is not less than one-third of the total board of directors, but not less than 3 persons, in accordance with the requirements of the Securities and Exchange Commission.
5. The appointment of directors in accordance with the Articles of Association of the Company and related laws which must be transparent and clear in the nomination of directors and the consideration should require a person's history, education and experience, and the professional of the person with sufficient details for the purpose of decision-making of the Board of Directors and shareholders.
6. Directors who retired by rotation may be re-elected to such position.

#### 2. The composition and appointment of Independent Directors.

The Board of Directors will jointly consider the qualifications of the person who will be Independent Directors based on the qualifications and characteristics of the Directors under the notification of the Capital Market Commission, the Securities and Exchange Commission, the Stock Exchange of Thailand including the announcement, regulations and/or related regulations. In addition, the Board of Directors will consider selecting

independent directors from qualified people. It will then be presented to the meeting of shareholders to consider the appointment of the Company's directors. The Company has a policy to appoint at least one-third of the total director and must not be less than 3 persons.

#### **Qualification of Independent Director**

1. Holding not over 1% of the shares with voting rights of the Company, its subsidiaries, associated companies or juristic person of the person who may have conflict including shares held by the relevant person.
2. Not being or having been a director, an employee, staff, consultant with a salary or controlling authority of the Company, the parent company, its subsidiaries, associates, same subsidiaries or juristic persons who may conflict unless they have been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
3. Not a person with a bloodline relationship or by legal registration in a parent, spouse. Brothers and children, including spouses of executives, major shareholders, control authorities or persons who will be offered as executives or control authorities of the Company or its subsidiaries.
4. Not being or have been a business relationship with the Company, the parent company, its subsidiaries. Associates or potentially conflicting entities in a manner that may hinder the use of independent judgment including not being or as a major shareholder, directors who are not independent directors or executives of those with business ties with the Company, parent companies, subsidiaries, the company or juristic person who may have conflicts unless it has been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
5. Not being or have been an auditor of the Company, the parent company, its subsidiaries, associates or potentially conflicting entities in a manner that may hinder the use of independent judgment including not being or as a major shareholder, directors who are not independent directors, executive or managing partner of the Audit Office, which has the company's auditors, the parent company, its subsidiaries, associates or juristic persons who may have conflicts unless they have been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
6. Not being or have been any professional service providers including providing legal advisors or financial advisors, which are charged more than 2 million baht per year from the Company, parent company, its subsidiaries, associates, or juristic person that may have conflict of interest. In the event that a professional service provider is a juristic person, including being a major shareholder, directors who are not independent directors, executive or the manager partner of the professional service provider, unless it has been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.

7. Not being a director appointed as a representative of the Board of Directors of the Company, its major shareholder or shareholders who are related to the major shareholders of the Company.
8. Do not operate in the same nature and be a significant competition with the affairs of the applicant or its subsidiaries, or not as an implied partner in the partnership or as an executive director, employees, staff, consultants who receive regular salaries or hold more than 1% of the total voting rights of third parties, which operate in the same nature and are significant competition with the Company's business or its subsidiaries.
9. Not having any characteristics which make it impossible to comment freely about the operations of the Company.

### **3. The composition and appointment of the Audit Committee.**

1. The Board of Directors shall appoint the audit committee of at least three persons and each director must be independent directors.
2. The Board of Directors or the audit committee shall select 1 member of the audit committee to serve as chairman of the audit committee.
3. The audit committee shall have at least one person with knowledge or experience in accounting or finance and knowledgeable about the reason for the change of financial reporting.  
In this regard, each audit committee shall have the term of office for 3 years or equal to the term of director of the Company.

### **4. The composition and appointment of the Nomination and Compensation Committee.**

1. The Nomination and Remuneration Committee shall be appointed by the Board of Directors in order to promote good corporate governance principles which is responsible for formulating criteria and policies in recruiting and also determine the remuneration of the Company's directors and sub-committees, including nominating, selecting and proposing suitable persons to serve as the Company's directors, including senior management positions of the Company and method of determining remuneration in a methodical and transparent manner as well as performing other tasks as assigned and presented to the Board of Directors and/or the shareholders' meeting.
2. The Board of Directors shall appoint the Nomination and Remuneration Committee, comprising not more than 4 directors, of which more than half of them must be independent directors. In this regard, there must be at least one director who has knowledge, capability or expertise in personnel management. The Chairman of the Nomination and Remuneration Committee must be an independent director.
3. Be Able to devote sufficient time to work.

### **5. Selection of the Chief Executive Officer, Chief Operating Officer or equivalent level position.**

When the position of chief executive officer, chief operating officer or equivalent level position is vacant or who is not in a position to perform the duties, the Company will manage the duties to a nearby level or

secondary level to act in that position until the recruitment and selection of qualified person will be done in accordance with the Company's criteria. In this regard, such person shall have a vision, knowledge and experience appropriate to the organizational cultural. The executive committee considers the nomination to present to the Board of Directors for the approval of the appointment of a suitable replacement for the position further.

## **8.2 Supervision of the operation of subsidiaries and affiliates.**

The Company will invest in companies with the same business objectives as the Company's core business or similar business or business supporting the Company's business which will increase its turnover or profitability or invest in synergy businesses for the Company by supporting the Company's core business operations to increase the Company's competitiveness. The Board of Directors may consider investing in other businesses than the Company's core business. If the Board of Directors sees such business as a potential business and such investment is beneficial to the Company and its shareholders.

To supervise the subsidiaries and associates, the Company will send directors or executives with the right qualifications and experience to conduct business to represent the management of the subsidiary and its associates to formulate important policies and control the business of such subsidiaries and/or associates. Directors representing the Company shall act in supervising subsidiaries and/or associates to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or the meeting of shareholders of the Company to approve the critical matters of subsidiaries and/or associates to maximize the benefit of the Company and to achieve sustainable growth of the Company.

## **8.3 Control of Internal Information**

The Company and its subsidiaries recognize and appreciate the importance of the implementation of the Principles of Corporate Governance (Good Corporate Governance) to strengthen the confidence of shareholders, investors and those involved in the ongoing operation. In addition, the Board of Directors is aware of the importance of using the Company's internal information for its personality. Therefore, the Board of Directors and executives of the Company should consider the company's internal data control measures to ensure that the Company has transparent operations in accordance with good corporate governance principles as follows;

1. Directors and employees must maintain the confidentiality/data within the Company and subsidiaries and shall not disclose such information, or to seek benefits for such information or for the benefit of another person, whether direct or indirect, and whether they receive compensation or not.
2. The Company shall arrange to collect the important information that has not been disclosed as confidential and limit to know only the management and disclose to the employee of the Company as necessary.
3. In a case, the Company has to disclose the internal information to the employee of the Company, the Company shall inform the employee as the confidential and limit to use.

4. Prohibit the directors, executives, employees and staff of the Company and its subsidiaries, including spouses or those who live together, my husband, wife and underage child to use the Company's internal information and its subsidiaries, which may have or may have an impact on changes in the price of the Company's securities, which have not been made public to purchase, sell, buy or offer the Company's securities directly or indirectly before it is disclosed publicly. Whether such actions are done for the benefit of themselves or others, or to allow others to do so without their benefit, anyone who violates the breach will be punished in accordance with the disciplinary measures of the Company and its subsidiaries.
5. The Company prohibits directors, executives and employees of the Company and its subsidiaries to receive the internal information in order to disclose such information to third parties or the personnel involved and prohibits directors and executives of the Company including their spouses or those living together as husband and wife, children and underage person in the purchase - sale of shares of the Company during the period of 1 month before the Company shall publish financial statements or publish information that is essential to the public.
6. The Company shall educate the directors and executives of the Company to acknowledge the duty on reporting their holding of securities including their spouses or those living together as husband and wife, children and underage person according to Section 59 of the Securities Exchange Act of 2535, including the amendment ("Securities Act") and the notification of the Securities and Exchange Commission No. SorChor. 12/2552 Re: preparation and disclosure of shareholding of directors, executives and auditors and the punishments under Section 275 of the Securities and Exchange Act BE 2535.
7. The Company requires the directors and executives of the Company to report any changes in the shareholding of the Company to the Securities and Exchange Commission according to Section 59 of the Securities Exchange Act of 2535, including the amendment ("Securities Act") and the notification of the Securities and Exchange Commission No. SorChor. 12/2552 Re: preparation and disclosure of shareholding of directors, executives and auditors and send a copy of this report to the Company on the same day the report is submitted to the Securities and Exchange Commission.

## Report of the Audit Committee

### To Shareholders

According to the resolution of the Board of Directors of AppliCAD Public Company Limited (“Company”) No. 4/2022 on August 9, 2022, the Audit Committee comprises of three Independent Directors who are expert in financial accounting, law and business. All audit committees are qualified as defined in the regulations of the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, namely Mrs. Bongkot Rungkornpaisan, Mr. Thanin Pornsirithivej and Dr. Niti Nerngchamnonng. The Audit Committee has been appointed by the Board of Directors' meeting to operate to a certain extent, duties and responsibilities as specified in the Charter of the Audit Committee, which is reviewed at least once a year and complies with the best practices of the Audit Committee, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2022, the Audit Committee held 4 meetings with 100% of attendance from all Audit Committee members, to discussion with management, internal auditors, auditors and also present to the Board of Directors for regular sessions. The Audit Committee has performed the duties which are summarized as follows:

#### **1. Review of Financial Reports**

The Audit Committee has reviewed quarterly and annually the Financial Statements for the year 2022 of the Company with the Management and External Auditor by discussing with the External Auditor on the accuracy and completeness of financial information and such Financial Statements, significant adjustment which affected to the Financial Statements and Key Audit Matters in the Audit Report. The Audit Committee concluded that such Financial Statements, including the disclosure of information in the notes to the Financial Statements of the Company has been conducted accurately, completely, timely and reliably in accordance with Financial Reporting Standards to benefit users of such Financial Statements. The auditor has reported with an unconditional opinion and the result of the control assessment are appropriate, concealment was not found and was able to work independently. In addition, the Audit Committee has arranged one meeting with the Auditor without the Company's management to determine the scope and inquire about the risks of irregular transactions that may or may occur during the audit.

#### **2. Review of Related transactions or transactions that may lead to conflicts of interest**

The Audit Committee has considered the disclosure of the Company's information in the event of related transactions or transactions that may lead to conflicts of interest by adhering to the principles of fairness, normal business, transparency, adequate information disclosure as done to the general public and concluded that the disclosure of the Company's information is sufficient and in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

#### **3. Review of Risk Management**

The Audit Committee reviewed the company's risk management in 2022, taking into account the post-COVID-19 economic situation and the impact of currency fluctuations. The Audit Committee has reviewed the

management of potential economic risks such as financial liquidity, accounts receivable management and payment collection asset impairment assessment, etc., as well as regularly considering and reviewing the suitability and efficiency of the risk management process. along with giving suggestions to improve the management process appropriately

#### **4. Review of Internal Control**

The Audit Committee has reviewed the adequacy of the Company's internal control system in conjunction with the independent internal audit and management by having internal audit reports directly to the Audit Committee and to monitor the revised work according to the recommendations in the audit report and comments of the Audit Committee continuously, as well as to revise the internal control system in accordance with the changing situation. The Audit Committee has concluded that the Company has an adequate and effective internal control system in accordance with the Principles of Good Internal Control of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

#### **5. Review of Good Corporate Governance**

The Audit Committee has reviewed the Code of Conduct in order to ensure systematic good Corporate Governance and regularly review whistleblowing policies and procedures to report complaints for non-compliance with securities laws and laws relating to the Company's business operations, as well as tracking changes in regulations to ensure that the Company strictly complies with the regulations in order to ensure transparency and ethics, ensuring confidence among all stakeholders.

#### **6. Consider the appointment of auditors and audit fees**

The Audit Committee has considered the selection of auditors by considering their readiness, scope of service, independence and appropriateness of the audit fee rates and has provided opinions to the Board of Directors to be presented to the Annual General Meeting of Shareholders for the year 2023 by considering the appointment of auditors from Karin Audit Co., Ltd. with a list of names announced through the system of the Stock Exchange of Thailand to be the Company's auditors for the year 2023. Such auditors are auditors according to the list of auditors approved by the Securities and Exchange Commission.

In summary, the Audit Committee believes that the Company's Financial Report has been prepared in accordance with the Financial Reporting Standards, the related transactions have been made in accordance with the principles of arm's length with normal business conditions, transparency, adequate disclosure of information, as done with other third parties and Risk management and internal control systems are adequate and efficient, and relevant regulations are fully complied.



Mrs. Bongkot Rungkornpaisan  
Chairman of Audit Committees



## 9. Internal control and Related parties transection

### 9.1 Internal control and Risk Management

#### 1 The opinion of Board of Directors on the Internal control of the Company

According to the resolution of the meeting of Board of Directors No.1/2023 on 17 February 2023 with 3 Audit Committees attended the meeting, the Board of Directors has evaluated the adequacy of the internal control of the Company by requesting information from the management which can be concluded that the assessment of internal controls of the Company consists of 5 parts in various fields as follows;

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Board of Directors has agreed that the Company has the adequate and appropriate internal control system. The Company has provided sufficient personnel to operate the system effectively. The Company's business operations are in line with good corporate governance and transparency. In addition, the Company has provided a monitoring system to oversee the Company's operations to ensure that it can protect the Company's assets from the misuse or without authority of director or executive as well as adequate control system for transactions with conflict-related persons or related parties.

#### 2 Head of Internal Audit of the Company

The Company has employed P&L International Audit Co., Ltd., an external unit to monitor the Company's internal control system from 2014 to the present. P&L International Audit Co., Ltd., has assigned Mr. Thanabhat Wongwit, Assistant Vice President to be the head of internal audit.

The Board of Directors has considered the quality of Mr. Thanabhat Wongwit and agreed that he has the sufficient quality to perform such duties due to independence. Knowledge, competence and experience in internal audit operations.

Therefore, the consideration and approval of appointment, transfer, dismissal of the head of internal audit of the company must obtain the approval or the agreement of the Audit Committee.

## 9.2 Related transactions

In 2022, the Company and its subsidiaries have transactions with people who may have conflicted with the details of the transaction as follows;

Persons who may have conflict	Transaction	Transaction Value (Million Baht)			Necessity and rationality of transection	Opinion of Audit Committee
		2022	2021	2020		
Mr. Prapas Tangadulrat - Chief Executive Officer of the Company, holding 57.15% of the issued shares.	Rental of land and building	0.64	0.60	0.60	The Company has leased land and buildings from Mr. Prapas Tangadulrat to be used as a storage of facility and parking lot of the Company with a 3-year lease period starting 1 June 2022 to 30 June 2025 at the rental rate of 55,000 bah/month (area 1,504 sqm. as 36.57 baht per one sqm.) such rental rate when compared with the area value of the Company, rental of parking spaces in similar areas from third parties which are 1. Mr. Tongdee Busaratepkul with the monthly rental of 28,021.05 baht (area 1,196 sqm. as 23.43 baht per one sqm.), 2. Mrs. Sritong Busaratepkul with the monthly rental of 34,736.84 baht (area 1,196 sqm. as 29.04 baht per one sqm.). the rental which the Company has paid to Mr. Prapas is higher than both persons above due to the rental of showroom with parking and it is located next to the office building of the Company.	It is in accordance with the nature of general trading business. And there is a clear policy for entering into related party transactions. This is the arm's length basis of the business. It complies with the rules of the Stock Exchange of Thailand. and the Company's related-party transaction policy
Mr.Prakit Laobooncharoen - as the Company executive	Consultation fee	0.00	0.00	0.44	RP has employed Mr. Prakrit Laobooncharoen to provide the consultation service of sales. Mr. Prakrit has good experience and professional in sales, marketing and product of 3D as well as the good relationship with industrial entrepreneurs. Such consultation is used for the benefits of the Company's operation in the monthly employment rate in the contract of 40,000 baht by considering from the remuneration paid to executives in similar levels with the 2 working days (8 days) which are 36,690.91 baht and 39,709.09 baht. In this regard, the Company has used such remuneration because the Company could not find any external consultant in the same responsibilities, although Mr.Prakit Laobooncharoen has the engineering technical position with Prime Design Solutions Company Limited without monthly salary that could not be comparable. The contract between the Company and Mr. Prakrit Laobooncharoen has ended on 30 November 2020.	

Persons who may have conflict	Transaction	Transaction Value (Million Baht)			Necessity and rationality of transection	Opinion of Audit Committee
		2022	2021	2020		
Magnolia Quality Development Co., Ltd. -Mr.Thanin Ponsirithivej Independent Director of the Company Being as a director of Magnolia Quality Development Company Limited	Sales Revenue	0.00	0.03	0.06	The company distributes 3D design software to Magnolia Quality Development Company Limited which is an arm's length basis. In terms of price, it is the same price as sold to Foundry Company Limited and the same terms of trade.	

### Measures and procedures to approve the Related Parties Transaction

The Company has imposed measures to enter transactions between the Company and its subsidiaries and related parties, and the Audit Committee shall comment on the necessity, reasonableness and price suitability of the transaction, based on conditions in accordance with the normal trading practices at the market price. This can be compared to the price incurred to third parties. In the event that the Audit Committee does not have the expertise to consider the transactions of the following transactions. The Company shall provide individuals with special knowledge, such as auditors, property appraisals, law firms, etc. which is independent of the Company and those who may have conflicts to comment on such transactions to make the decision of the Audit Committee to allow the Audit Committee to present to the Board of Directors or shareholders as a case.

In addition, the Company and its subsidiaries have imposed measures not to allow executives or stakeholders to participate in the approval of transactions they have directly and indirectly. The Board of Directors shall ensure that the Company shall comply with the Securities and Exchange Commission and the Articles of Association, announcements, orders or requirements of the Capital Market and the Stock Exchange of Thailand as well as to comply with the disclosure of transactions in the notice of the relevant transaction and the acquisition of significant assets of the Company and its subsidiaries. Moreover, it shall comply with the accounting standards set by the Federation of Accounting Professions under the Royal Patronage and will disclose the transactions between each other in the notes to the financial statements reviewed by the Company's auditors.

### Policies and trends in future Related Parties Transaction

The Company and/or its subsidiaries may continue to make transactions with each other in the future, which will be in accordance with the nature of the general trade business and clearly establish the transaction policy which will be the usual price and trading terms of the business which is similar to the appointment of unrelated individuals and/or companies, such as buying or selling, providing or receiving rental services, guarantees by major shareholders and/or directors, etc. The transactions between the upcoming parties are necessary to conduct the Company's business and/or its subsidiaries and to the benefit of the Company and/or its subsidiaries. The Audit Committee will consider reviewing the compliance and commenting on the reasonableness of the transactions that occur every quarter.

For transactions that do not comply with normal business that may occur in the future, the Company shall conduct an audit committee to review the compliance with the guidelines and show the reasons for such transactions before the Company or its subsidiaries enter such transaction by taking the following measures and procedures to approve the transaction as specified above. However, related parties transactions that may cause a potential conflict of interest in the future. The Board of Directors shall comply with the laws of the Securities and Exchange Commission and the Articles of Association, announcements, orders or requirements of the Capital Market and the Stock Exchange of Thailand as well as to comply with the disclosure of transactions in the notice of the relevant transaction and the acquisition of significant assets of the Company and its subsidiaries. Moreover, it shall comply with the accounting standards set by the Federation of Accounting Professions under the Royal Patronage.

## Part 3: Financial Statements

## INDEPENDENT AUDITOE'S REPORT

To the Shareholders of AppliCAD Public Company Limited

### Opinion

I have audited the financial statements of AppliCAD Public Company Limited and its subsidiaries (the Company) which comprise the consolidated and separate statements of financial position as at 31 December 2022 and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of AppliCAD Public Company Limited and its subsidiaries as at 31 December 2022, their consolidated and separate financial performance and the consolidate and separate of cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants Independent Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

## Intangible assets

### **Risk**

According to Note 14, other intangible assets as at 31 December 2022. In the consolidated financial statements, the amount was 24.42 million baht, resulting from the intangible assets under development in the amount of 20.29 million baht. Because the company develops the platform to connect the sale of products and services of the group of companies including providing new services that will occur in the future. Recording of such intangible assets under development Management's judgment is required to predict whether development of such platforms will benefit the company and make the group of companies have more revenue in the future the management estimates the development period. and the period expected to start generating income for the group of companies It requires a lot of judgment in evaluating the success of such platforms. and record the costs incurred to acquire the platform as an asset. In my opinion that the issue of recording intangible assets during development is significant.

### **Risk Response of Auditor**

My audit procedures responded to the risk referred to the above are as follows:

- I have read the minutes of the meeting, reviewed the approval of the platform development in accordance with the policy of the company.
- I have reviewed the platform development plan from the feasibility study of the project, target customers expected by the Group, including the expected period of time for the development.
- I have followed up on the minutes of the meeting and reviewed the results of the progress reports of the platform development plan in each meeting period to confirm the success of the project.
- I have considered the possibility of the platform by inquiring the management, following up the platform development plan and regularly evaluating.
- In case of a postponement of the development timeframe, I have reviewed the reasonableness of the postponement and appropriately assessed the success of the project, as well as considered whether the costs incurred from the postponement until the end of the project to be recognized as the intangible assets during the development and also the record previously recognized as intangible assets during the development.
- Consider recording intangible assets under development. By separating each sub-platform (separate phases) and the revenue generating part.
- I have reviewed the balance of intangible assets during the development that have been recorded in the past, including those added during the period which is still in the assumption of the successful project.

- Consider the part that generates income and paired with the developed sub-platform to confirm stop recording intangible assets under development by categorizing appropriately and recorded the amortization on the date that revenue was generated.

### **Investments, loans, and other accounts receivables**

#### **Risk**

According to Notes 5 and 11. The Company may have a risk of impairment of assets invested in subsidiaries. due to the measurement of the recoverable amount Calculations are based on estimated future cash flows discounted to their present value. This cash flow projection information Prepared using management's discretion. which affected the impairment of investments in subsidiaries. In my opinion, such judgment is important. I therefore took the matter as an important matter for the audit.

#### **Risk Responses of Auditor**

My audit procedures responded to the risk referred to above are summarized as follows:

- Evaluate the appropriateness of identifying cash-generating units.
- Compare the expected recoverable amount with the assets that the Company invests in subsidiaries at the end of the accounting period. Based on the book value method after adjustment (Adjusted Net Book Value) or the estimated future cash flow value which is discounted to the present value. whichever is higher
- Review the reasonableness of the assumptions used by the management in forecasting the expected future cash flows discounted to the present value.
- Read the minutes of the meeting regarding the expected cash flow projections. To review the reasonableness of the estimates made by the company's management.
- Review the operating results after the end of the period and have the management review the estimate to be close to the actual facts and
- Test calculations to record losses or reverse transfers in the assets that the company invests in each subsidiary company.

#### **Other information**

Management is responsible for the other information, including in the annual report but does not include the financial statements and the auditor's report contained in that annual report. I personally believe that the annual report is expected to be delivered to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any reliance on the other information.

My responsibility in connection with the audit of the financial statements is to read and consider whether the other information materially conflicts with the financial statements or my knowledge gained from my audit or it appears that other information is a material misstatement.



When I have read the annual report and if I could conclude that there is a material misstatement, I must communicate the matter to those charged with governance so that those charged with governance would take corrective actions against misstatements.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or,

if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Komin Linphrachaya.

(Mr. Komin Linphrachaya)

Certified Public Accountant (Thailand) No. 3675

Karin Audit Company Limited

Bangkok, Thailand

17 February 2023

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
31 DECEMBER 2022  
AND INDEPENDENT AUDITOR'S REPORT

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2022

(Unit: Baht)

	Notes	Consolidated		Separate	
		As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	159,054,664	360,824,797	152,162,075	346,675,170
Trade and other current receivable	5, 7	103,024,438	84,225,738	88,134,592	74,343,029
Current contract assets	8	106,920,086	87,275,477	108,847,905	85,640,351
Short-term loans	5	-	-	15,630,692	23,287,574
Inventories	9	65,002,210	46,836,003	55,743,077	40,975,541
Current tax assets		5,796,597	1,209,075	3,766,342	-
Other current financial assets	10	141,816,223	1,000,000	141,816,223	1,000,000
Other current assets		1,724,203	702,498	1,672,982	686,702
<b>Total current assets</b>		<b>583,338,421</b>	<b>582,073,588</b>	<b>567,773,888</b>	<b>572,608,367</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	5,786,573	2,855,532
Non-current contract assets (Cost contract assets)	8	29,550,143	17,067,933	26,732,471	16,510,232
Property, plant and equipment	12	106,949,979	100,796,729	98,646,735	90,020,419
Right of use assets	13	12,093,734	3,614,064	11,453,818	1,800,435
Other intangible assets	14	24,424,961	16,844,557	24,343,969	16,808,846
Deferred tax assets	22	14,620,534	11,498,125	13,968,738	12,583,569
Other non-current assets		1,459,947	1,026,866	855,402	422,319
<b>Total non-current assets</b>		<b>189,099,298</b>	<b>150,848,274</b>	<b>181,787,706</b>	<b>141,001,352</b>
<b>Total assets</b>		<b>772,437,719</b>	<b>732,921,862</b>	<b>749,561,594</b>	<b>713,609,719</b>

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT 31 DECEMBER 2022

(Unit: Baht)

	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Trade and other current payables	15	125,691,093	121,132,115	111,367,079	110,657,537
Current contract liabilities	8	189,607,820	170,696,383	185,180,204	167,123,905
Current portion of lease liabilities	16	3,849,573	2,290,607	3,361,924	1,084,734
Corporate income tax payable		-	3,480,135	-	2,772,578
Current provisions for employee benefit	17	3,132,387	1,448,132	1,654,244	1,241,854
Other current liabilities		190,000	-	190,000	-
<b>Total current liabilities</b>		<b>322,470,873</b>	<b>299,047,372</b>	<b>301,753,451</b>	<b>282,880,608</b>
<b>Non-current liabilities</b>					
Lease liabilities	16	8,644,266	1,479,546	8,432,711	780,342
Non-current contract liabilities	8	44,315,852	29,729,673	41,270,359	29,153,591
Non-current provisions for employee benefit	17	50,221,374	45,245,335	43,888,677	36,973,353
Decommissioning funds obligations		1,085,419	210,000	678,419	-
<b>Total non-current liabilities</b>		<b>104,266,911</b>	<b>76,664,554</b>	<b>94,270,166</b>	<b>66,907,286</b>
<b>Total liabilities</b>		<b>426,737,784</b>	<b>375,711,926</b>	<b>396,023,617</b>	<b>349,787,894</b>

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT 31 DECEMBER 2022

(Unit: Baht)

	Consolidated		Separate	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>Shareholders' equity</b>				
Share capital				
Authorized share capital				
280,000,000 ordinary shares of Baht 0.50 each	140,000,000	140,000,000	140,000,000	140,000,000
Issued and paid share capital				
280,000,000 ordinary shares of Baht 0.50 each	140,000,000	140,000,000	140,000,000	140,000,000
Share Premium (discount) on ordinary shares	146,725,000	146,725,000	146,725,000	146,725,000
Surplus (deficit) from business combinations				
under common control	954,644	954,644	-	-
Retained earnings				
Appropriated-Legal reserve	14,000,000	14,000,000	14,000,000	14,000,000
Unappropriated	43,035,859	53,767,173	52,812,977	63,096,825
Other components of shareholders' equity	1,210,724	2,014,526	-	-
<b>Total equity attributable to owners of the company</b>	<b>345,926,227</b>	<b>357,461,343</b>	<b>353,537,977</b>	<b>363,821,825</b>
Non-controlling interests	(226,292)	(251,407)	-	-
<b>Total shareholders' equity</b>	<b>345,699,935</b>	<b>357,209,936</b>	<b>353,537,977</b>	<b>363,821,825</b>
<b>Total liabilities and shareholders' equity</b>	<b>772,437,719</b>	<b>732,921,862</b>	<b>749,561,594</b>	<b>713,609,719</b>

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022

		(Unit: Baht)			
		Consolidated		Separate	
Notes	2022	2021	2022	2021	
<b>Revenue</b>					
Revenue from sales	466,011,886	460,153,294	425,349,188	417,664,678	
Revenue from services	409,155,166	324,460,839	352,349,608	283,538,532	
Other income	13,170,893	14,292,615	20,968,806	17,442,250	
<b>Total revenue</b>	<b>888,337,945</b>	<b>798,906,748</b>	<b>798,667,602</b>	<b>718,645,460</b>	
<b>Expenses</b>					
Cost of sales	(293,983,983)	(288,985,550)	(272,270,621)	(264,208,430)	
Costs of rendering of services	(226,334,939)	153,884,035)	(187,415,695)	(127,935,653)	
Distribution costs	(198,946,287)	(173,860,402)	(181,180,743)	(155,061,285)	
Administrative expenses	(110,249,705)	(100,312,225)	(97,413,235)	(88,042,033)	
Finance costs	(669,589)	(330,069)	(584,334)	(177,817)	
<b>Total expenses</b>	<b>(830,184,503)</b>	<b>(717,372,281)</b>	<b>(738,864,628)</b>	<b>(635,425,218)</b>	
<b>Profit (loss) before income tax expenses</b>	<b>58,153,442</b>	<b>81,534,467</b>	<b>59,802,974</b>	<b>83,220,242</b>	
Tax income (expense)	22 (11,654,591)	(22,809,326)	(12,520,942)	(23,991,034)	
<b>Profit (loss) for the years</b>	<b>46,498,851</b>	<b>58,725,141</b>	<b>47,282,032</b>	<b>59,229,208</b>	
<b>Other comprehensive income:</b>					
<b>Components of other comprehensive income that will be reclassified to profit or loss:</b>					
Exchange differences on translating financial statement	(803,802)	324,822	-	-	
<b>Total components of other comprehensive income that will be reclassified to profit or loss</b>	<b>(803,802)</b>	<b>324,822</b>	<b>-</b>	<b>-</b>	
<b>Components of other comprehensive income that will not be reclassified to profit or loss:</b>					
Gains (losses) re-measurement of defined employee benefit plans	(1,205,050)	-	(1,565,880)	-	
<b>Total components of other comprehensive income that will not be reclassified to profit or loss</b>	<b>(1,205,050)</b>	<b>-</b>	<b>(1,565,880)</b>	<b>-</b>	
<b>Total comprehensive income (expense) for the years</b>	<b>44,489,999</b>	<b>59,049,963</b>	<b>45,716,152</b>	<b>59,229,208</b>	
<b>Profit (loss) attributable to:</b>					
Owners of parent	46,473,736	58,459,215	47,282,032	59,229,208	
Non-controlling Interests	25,115	265,926			
	<b>46,498,851</b>	<b>58,725,141</b>			
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of parent	44,464,884	58,784,037	45,716,152	59,229,208	
Non-controlling Interests	25,115	265,926			
	<b>44,489,999</b>	<b>59,049,963</b>			
<b>Basic earnings (loss) per share</b>					
Profit (loss) (baht per share)	23 0.17	0.21	0.17	0.21	

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022

(Unit: Baht)

Consolidated												
Equity attributable to owners of the Company's shareholders												
Notes	Issued and paid share capital	Share Premium (discount) on ordinary shares	Deficit from business combinations under common control	Retained earnings		Financial statement conversion	Other components of shareholders' equity			Total shareholders' equity of parent company	Non-controlling Interests	Total shareholders' equity
				Appropriated	Unappropriated		Gains (losses) re-measurements of defined employee benefit plans	Surplus from change in shareholding percentage in subsidiaries	Total other components of shareholders' equity			
<b>Beginning balance as at 1 January 2021</b>	140,000,000	146,725,000	954,644	10,943,280	40,364,678	329,700	-	1,360,004	1,689,704	340,677,306	(517,333)	340,159,973
Dividend	19	-	-	-	(42,000,000)	-	-	-	-	(42,000,000)	-	(42,000,000)
Total comprehensive income (expense) for the year	-	-	-	-	58,459,215	324,822	-	-	324,822	58,784,037	265,926	59,049,963
Other - Capital reserves legal	-	-	-	3,056,720	(3,056,720)	-	-	-	-	-	-	-
<b>Ending balance as at 31 December 2021</b>	140,000,000	146,725,000	954,644	14,000,000	53,767,173	654,522	-	1,360,004	2,014,526	357,461,343	(251,407)	357,209,936
Dividend	19	-	-	-	(56,000,000)	-	-	-	-	(56,000,000)	-	(56,000,000)
Total comprehensive income (expense) for the year	-	-	-	-	46,473,736	(803,802)	(1,205,050)	-	(2,008,852)	44,464,884	25,115	44,489,999
Transferred to retained earnings	-	-	-	-	(1,205,050)	-	1,205,050	-	1,205,050	-	-	-
<b>Ending balance as at 31 December 2022</b>	140,000,000	146,725,000	954,644	14,000,000	43,035,859	(149,280)	-	1,360,004	1,210,724	345,926,227	(226,292)	345,699,935



APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)  
 FOR THE YEAR ENDED 31 DECEMBER 2022

								(Unit: Baht)		
								Separate		
								Other components of shareholders' equity		
								Gains (losses) re- measurements of defined employee benefit plans	Total other components of shareholders' equity	Total
								Retained earnings		Total
								Appropriated	Unappropriated	shareholders' equity
Notes	Issued and paid share capital	Share Premium (discount) on ordinary shares			re- measurements of defined employee benefit plans	Total other components of shareholders' equity	Total			
<b>Beginning balance as at 1 January</b>										
<b>2021</b>	140,000,000	146,725,000	10,943,280	48,924,337	-	-	346,592,617			
Dividend	19	-	-	(42,000,000)	-	-	(42,000,000)			
Total comprehensive income (expense) for the year	-	-	-	59,229,208	-	-	59,229,208			
Other - Capital reserves legal	-	-	3,056,720	(3,056,720)	-	-	-			
<b>Ending balance as at 31 December</b>										
<b>2021</b>	140,000,000	146,725,000	14,000,000	63,096,825	-	-	363,821,825			
Dividend	19	-	-	(56,000,000)	-	-	(56,000,000)			
Total comprehensive income (expense) for the year	-	-	-	47,282,032	(1,565,880)	(1,565,880)	45,716,152			
Transferred to retained earnings	-	-	-	(1,565,880)	1,565,880	1,565,880	-			
<b>Ending balance as at 31 December</b>										
<b>2022</b>	140,000,000	146,725,000	14,000,000	52,812,977	-	-	353,537,977			

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	(Unit: Baht)			
		Consolidated		Separate	
		2022	2021	2022	2021
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax for the year		58,153,442	81,534,467	59,802,974	83,220,242
<b>Adjustment of profit (loss) on cash received (paid)</b>					
Adjustment on Financial cost		669,589	330,069	584,334	177,817
Adjustment on Trade and other current receivable (increase) decrease		(40,354,429)	(41,439,296)	(37,419,837)	(35,089,005)
Adjustment on Trade from other operating activities (increase) decrease		(12,482,209)	(4,046,200)	(9,384,745)	(3,488,498)
Adjustment on Inventories (increase) decrease		(19,733,205)	(14,100,721)	(16,298,483)	(12,673,612)
Adjustment on Other assets (increase) decrease		(4,480,183)	529,899	(3,628,588)	(31,092)
Adjustment on Trade and other current account payable increase (decrease)		23,756,296	48,631,489	19,051,723	47,087,975
Adjustment on Trade from other operating activities increase (decrease)		14,586,178	2,253,576	12,116,768	1,677,494
Adjustment on Other liabilities increase (decrease)		(517,557)	-	190,000	-
Depreciation Depletion and Amortization charge	12,13,14	25,351,831	19,519,427	20,846,940	15,143,017
Adjustment on Impairment loss recognized in profit or loss (Reverse)	9	1,566,997	1,042,772	1,530,946	718,854
Adjustment on Reduction of inventories to net realizable value (Reverse)	5,11,14	771,908	-	(1,069,066)	3,268,670
Adjustment on Provisions liabilities (Reverse)		7,527,365	5,736,997	7,474,586	4,248,469
Adjustment on Unrealized Loss (Gain) on exchange rate		(285,881)	(166,166)	(285,881)	(166,153)
Adjustment Bad debts and allowance for doubtful accounts (Reverse)	7	1,582,837	(435,402)	571,880	(5,302,723)
Adjustment on Loss (Gain) from sales of non-current assets					
- Property, plant and equipment	12	(2,370,630)	(660,188)	(2,388,178)	(660,188)
Other Adjustment on Cash generated from investments		(1,147,926)	(656,867)	(1,623,920)	(1,288,133)
Other Adjustment - Amortization assets	12	179,384	30,075	179,382	29,404
<b>Cash provided from (used in) operating activities</b>		<b>52,773,807</b>	<b>98,103,931</b>	<b>50,250,835</b>	<b>96,872,538</b>
Interest income		704,300	659,476	700,852	658,076
Income tax recoverable (paid out)		(18,625,125)	(17,609,605)	(19,317,367)	(18,239,933)
Cash received (paid) from other activities - Provision for employee benefits	17	(1,551,308)	(697,832)	(1,425,804)	(697,832)
<b>Net cash provided from (used in) operating activities</b>		<b>33,301,674</b>	<b>80,455,970</b>	<b>30,208,516</b>	<b>78,592,849</b>
<b>Cash flows from investing activities</b>					
Cash received from the sale of property, plant and equipment	12	4,531,548	692,495	4,523,898	692,495
Cash paid for purchase of property, plant and equipment	12	(27,793,224)	(23,809,970)	(27,140,443)	(21,109,489)
Cash paid for purchase of intangible assets	14	(8,528,170)	(12,320,863)	(8,407,598)	(12,263,151)
Advance payments and loans to other persons or related parties		-	-	-	(7,335,000)
Cash received from advance payment and loans to other persons or related parties	5	-	-	7,047,011	3,447,326
Interest income	5	-	-	357,299	79,326
Cash received (paid) other from investing activities	10	(140,816,222)	(1,000,000)	(140,816,222)	(1,000,000)
<b>Net cash flows provided from (used in) investing activities</b>		<b>(172,606,068)</b>	<b>(36,438,338)</b>	<b>(164,436,055)</b>	<b>(37,488,493)</b>

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CASH FLOWS (CONT.)  
 FOR THE YEAR ENDED 31 DECEMBER 2022

		(Unit: Baht)			
		Consolidated		Separate	
Notes	2022	2021	2022	2021	
<b>Cash flows from financing activities</b>					
Cash paid for lease liabilities	16	(4,992,348)	(3,523,338)	(3,701,221)	(2,232,209)
Dividend	19	(56,000,000)	(42,000,000)	(56,000,000)	(42,000,000)
Interest expense	16	(669,589)	(330,069)	(584,335)	(177,817)
<b>Net cash flows provided from (used in) financing activities</b>		<b>(61,661,937)</b>	<b>(45,853,407)</b>	<b>(60,285,556)</b>	<b>(44,410,026)</b>
<b>Cash and cash equivalents increase (decrease) before exchange rate effects</b>					
Impact of exchange rate on cash and cash equivalents		(200,966,331)	(1,835,775)	(194,513,095)	(3,305,670)
		(803,802)	324,822	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(201,770,133)</b>	<b>(1,510,953)</b>	<b>(194,513,095)</b>	<b>(3,305,670)</b>
<b>Cash and cash equivalents - beginning balance</b>		<b>360,824,797</b>	<b>362,335,750</b>	<b>346,675,170</b>	<b>349,980,840</b>
<b>Cash and cash equivalents - ending balance</b>		<b>159,054,664</b>	<b>360,824,797</b>	<b>152,162,075</b>	<b>346,675,170</b>

**Additional information for cash flows**

- For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash in hand and cash at banks and short-term investment in promissory notes which are due within 3 months.
- During the year 2022, the company has agreement building and equipment, has financial lease in financial statements in the amount of Baht 13.43 million. (Notes 12)

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022****1. GENERAL INFORMATION**

AppliCAD Public Company Limited, previously named ("AppliCAD Company Limited"). The Company registered to be a public company limited on 7 December 2018, registration number 0107561000471. The company was established the Company Limited in Thailand. The Company's main business is sale of computer programs and maintenance services for computer programs, machines and equipment to design and development of products and other related services. By the registered address is 69 Soi Sukhumvit 68, Sukhumvit Road, Bangna - Nuea, Bangna, Bangkok 10260 and on 26 May 2022, the company registered an additional branch located at 10, 10/1-4 Soi Kuson Sin, Bangna - Nuea, Bangna, Bangkok 10260.

**2. BASIS FOR FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS****2.1. BASIS FOR FINANCIAL STATEMENTS PREPARATION**

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements in English language have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or interpretation in two different languages, the Thai version of the financial statements shall main.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2.2. BASIS OF CONSOLIDATION FINANCIAL STATEMENTS

- A) The consolidated financial statements include the financial statements of AppliCAD Public Company Limited and the subsidiary has control or holds more than 50 percent of the shares with voting rights as follows:

Company's name	Nature of business	Country of incorporation	Nature of business shareholding (%)	
			As at 31 December 2022	As at 31 December 2021
Deti Co., Ltd.	Training of computer program	Thailand	99.98	99.98
Rabbit Prototype Co., Ltd.	Hired the production of works pieces	Thailand	100.00	100.00
PT Indonesia AppliCAD Co., Ltd.	Distribution of computer program	Indonesia	67.00*	67.00*

\*The Company owns 180,900 PT Indonesia AppliCAD Company Limited shares, or 67 percent of the company's total issued shares. According to the Articles of Association of PT Indonesia AppliCAD Company Limited, which the Company owns, it is entitled to receive dividends at a rate of 95 percent of PT. Indonesia AppliCAD's declared dividends. It is used in the consolidation of financial accounts The corporation is thought to have invested 95 percent of the total shares.

- B) The Company has combined the subsidiaries financial statements in the consolidated financial statements since the date that the Company has the authority to control in the subsidiaries until the end of that authority.
- C) The subsidiaries financial statements have been prepared by using the significant accounting policies which are the same as the Company.
- D) The assets and liabilities of the subsidiaries financial statements established in the foreign country has changed the currency into Baht at the end of the reporting period. Moreover, the revenues and expenses have changed into Baht as the monthly average which its difference of the exchange rate is shown as the difference from convention of the financial statements in foreign currencies in the statement of changes in shareholders' equity.
- E) The outstanding balances between the Company and its subsidiaries, the significant intercompany transactions have been eliminated from the consolidated financial statements.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022**

- F) The equity of non-controlling stakeholder is the profit or loss and the net assets of the subsidiary that is not a part of the Company and it is shown separately in the consolidated profit or loss and the shareholders equity is shown in the consolidate financial statements.

The Company has prepared the financial statements for the benefits of the public by showing the investment in its subsidiaries as the cost method.

The transactions with its subsidiaries that matter have already been deducted from the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

**2.3. NEW FINANCIAL REPORTING STANDARDS**

- A) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

- B) Financial reporting standard that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022****3. SIGNIFICANT ACCOUNTING POLICIES****3.1. Revenue recognition****Revenue from sales**

Revenue from sales is recognized at the point in time when control of the asset is transferred to the customer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

The recognized revenue which is not yet due per the contracts has been presented under the caption of “Contract asset” in the statement of financial position. The amounts reclassified to other receivables when the Company right to consideration is unconditional.

The obligation to provide to a customer have received from the customer is presented under the caption of “Contract liability” in the statement of financial position. Contract liabilities are recognized as revenue when the Company perform under the contract.

**Revenue from service**

Revenue from services is recognized when the company and its subsidiaries has provided the service, by consider the stage of completion which is calculated in accordance with the total cost of service incurred to the total estimated cost that will be used in providing in service under the contract.

**3.2. Cash and cash equivalents**

Cash and cash equivalents are cash and bank deposits and short-term investments with high liquidity which is due to be repaid within a period of not more than 3 months from the date of acquisition and there are no restrictions on withdrawal.

**3.3. Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022****Impairment on financial assets**

The Group uses a simple method of calculating expected credit losses for trade accounts receivable and contract assets. Therefore, the Group of Companies does not follow up changes in credit risk. Instead, allowance for losses is recognized on the basis of expected credit losses over the life of trade accounts receivable and contract assets. Based on credit loss data from past experience, adjusted with forward-looking information about the debtor and its economic environment.

**3.4. Contract assets**

Contract assets are the costs to obtain a contract with a customer.

Contract assets are measured at cost and gradually recognized as service costs over the contract period. Calculated by the straight-line method which corresponds to the revenue recognition of that contract. Initially recognized as cost of services. Start using the service. The duration of the contract is 1-3 years.

**3.5. Inventory**

Inventories are stated at cost. (First in first out method) or net realizable value whichever is lower. The cost of purchase includes the purchase price and expenses directly related to the purchase of goods, such as import duties and transportation charges, less a discount of payment terms and other discount. Net realizable value is the estimate of the selling price in the ordinary course of business, less estimated costs to sell.

**3.6. Short-term loans**

Short-term loans into the company separate financial statements show the cost and less impairment. (if any)

**3.7. Investments**

Investments in subsidiaries companies into the company separate financial statements show the cost and less impairment. (if any)

**3.8. Property, plant and Leasehold improvements and equipment and Depreciation**

Land is stated at cost. Leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any)

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	24 - 28 years
Leasehold improvements	5, 10, 20 years
Furniture, fixtures and office equipment	3, 4, 5 years
Tools and Equipment	5, 10 years
Motor vehicles	5 years



**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022**

Depreciation included in the calculation of performance.

No depreciation is provided on land and assets under installation

The Company and its subsidiaries, leasehold improvements and equipment are derecognized from the accounts upon disposal or when no expected future economic benefit from its use or disposal. Any gain or loss on disposal are recognized in profit or loss when the Company and its subsidiaries assets derecognized from the accounts.

**3.9. Leases**

At inception of contact, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e., the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use the underlying assets and lease liabilities based on lease liabilities based on lease payments.

**A) Right of use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

The Right-of-used-land	2 - 3 years
The Right-of-used-building rental area	3 years

#### B) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### C) Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### 3.10. Intangible assets and amortizations

Intangible assets which is computer software are shown the values as the costs deducted the accumulated amortizations and the allowance for impairment of assets (if any).

The Company and its subsidiaries amortized the computer software's as the straight-line method throughout the useful life approximately about 4 - 5 years. The amortization is including in the performance calculations.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022**

Costs associated with maintaining computer software programmers are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available;
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

The expense of developing a computer software because it is still in development, there is no amortization of intangible assets.

**3.11. Business transactions with related parties**

The related parties with the Company mean the people or the company has control or controlled the Company, either directly or indirectly, or under the same control as the Company.

In addition, the related parties include the associated companies and the people which have the rights to vote both directly or indirectly also have significant influence on the Company management, directors or employees of the Company has a power to plan and control the operations of the Company.

**3.12. Foreign currencies**

The Company has presented the consolidated and separate financial statements in Thai Baht, which is the currency used in the operation of the company. The transactions of each business included in the consolidated financial statements are measured by the currency used in the operation of each business. The foreign currency transactions are converted into Thai Baht by using the exchange rate at the date of the transaction. The monetary assets and liabilities denominated in foreign currencies are converted into Thai Baht by using the exchange rate at the end of the period.

The profits and losses arising from the changes in exchange rate are included in the calculation of operating performance.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022****3.13. Impairment of assets**

At the end of the reporting period, the Company and its subsidiaries will evaluate the impairment of leasehold improvement and equipment or other intangible assets and investments of the Company. If there is any indication such of assets may be impaired, the Company and its subsidiaries recognize the impairment losses when the recoverable amount of the assets is lower than the book value of that asset. The recoverable amount is the fair value deducted costs to sell and the value of the assets, whichever is higher.

The Company and its subsidiaries will recognize the impairment losses in profit or loss.

**3.14. Contract liabilities**

contract liability is an obligation to transfer goods or services to a customer. Contract liabilities are recognized when the services are rendered by the Group over the contract period.

**3.15. Provision for employee benefits*****Short-term employee benefits***

The Group recognizes the salaries, wages, bonus and contributions to the social security fund are recognized as expenses when incurred.

***Post - employee benefits and long other employee benefits******Defined contribution plans***

The Company and its subsidiaries and employee have set up a provident fund. The provident fund is monthly contributed by employees and by the Company and its subsidiaries. The provident fund's assets are held in a separate trust fund from the Company and its subsidiaries. The Company and its subsidiaries contributions are recognized as expenses when incurred.

*Actuarial gains and losses arising from other long-term benefits are recognized immediately in profit or loss.*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries have other long-term employee benefits plan such as the term performance award program.

The Company and its subsidiaries calculate liabilities under employee post-employment benefit plan and other long-term employee benefits plan. By a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

The results of profits and losses arising from the actuarial science for the employee' benefits after leaving are recognized immediately in the other comprehensive income statements.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022**

The results of profits and losses arising from the actuarial science for the other long-term benefit plans, employees are recognized immediately in the profit and loss statements.

The liabilities of employee benefit plans after leaving and the liabilities of the other long-term benefit plans comprise of the present value of obligations under the defined benefit plans which is deducted by the unperceived costs of service in the past and the unperceived actuarial profits or losses.

**3.16. Provisions**

Provisions are recognized when the Company and its subsidiaries has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**3.17. Income taxes**

The income taxes comprise of the current income taxes and the deferred income taxes.

**The current income taxes**

The Company and its subsidiaries record the recognized current income taxes as the expected amount to be paid to the tax authorities' government by calculating of the taxable income in accordance with the tax law.

**The deferred income taxes**

The Company and its subsidiaries record the calculating deferred income taxes of the temporary differences between the carrying amounts of assets and liabilities as the end of the reporting period the taxes based of the assets and the liabilities concerned.

The Company and its subsidiaries recognize the deferred income taxes liabilities of the temporary differences of all taxable lists but recognize of the deferred tax assets for the deductible temporary tax differences including the tax losses which have not been used as the number of possibilities for the Company and its subsidiaries to receive the sufficient future taxable profits to take the advantages of the temporary differences between the taxes and the unused tax losses.

The Company and its subsidiaries will review the book value of the deferred tax assets at the end of the reporting period and will reduce the book value thereof. If there is the possibility of the Company and its subsidiaries have not the sufficient taxable profits for the deferred tax assets completely or partially for utilization.

The Company and its subsidiaries will record the deferred taxes directly to the shareholder's equity if the taxes relate to the transections that are recorded directly to shareholder's equity.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022****4. DISCRETION AND ESTIMATION OF SIGNIFICANT ACCOUNTING**

In order to prepare the financial statements in accordance with the Financial Reporting Standards, the management has to inherently use the discretion and estimation about the uncertainties. The discretion and estimation above will affect the amounts shown in the financial statements and the information presented in the notes to the financial statements.

**Determining the lease term with extension and termination options - The Group as a lessee**

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

**Allowance for expected credit losses of trade receivables and contract assets**

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

**Allowances for impairment of products**

To provide the financial statements showing the real value of inventories and the Company's operating performances, the Company has reconsidered the policy guidelines for impairment of inventories to cover all types of products as the finished products, spare parts and consumables by considering the book value of the assets above which higher than the value of products that are expected to be returned including the impairment of such the assets according to the age of holding dept for a long time and no movement in some cases.

**Leasehold improvements and equipment and depreciation**

In calculating the depreciation of leasehold improvements and equipment, the management is required to estimate the useful life and the residual values after using of leasehold improvements and equipment and has to review the useful life and the residual value if the changes occur.

Moreover, the management is required to review the depreciation of the leasehold improvements and equipment in each period and they have to record the losses from the impairments that are expected to be lower than the book value of such the assets. In this case, the management is required to use the discretion related the forecast of the future incomes and expenses associated with the assets.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022****Allowance for impairment of investments in subsidiaries**

In the estimation of allowance for impairment of investments in subsidiaries, management considers the information of losses from the previous operating and other factors. By using the principle of caution in determining such impairment.

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

**Deferred tax assets**

The Company and its subsidiaries will perceive the deferred tax assets of the temporary differences for the tax deductions and the unused tax losses when there is the possibility that the Company and its subsidiaries will receive the sufficient future taxable profits to take the advantages of the temporary differences and the losses. In this case, the management is required to estimate how much of the deferred tax assets that the Company and its subsidiaries should perceive by considering the amount of taxable profit expected in each future period.

**Post-employment benefits after leaving under defined benefit plans and other long-term benefits**

The provisions under the defined benefit plans after the employees leave and the other long-term benefit plans are estimated as the actuarial science which requires the various assumptions such as the discount rates, the future salary incremental rates, the mortality rates and the changes in the number of employees rates.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. RELATED PARTY TRANSACTIONS

Related parties and companies have transactions involving related persons, assets, liabilities, income, and expenses occurred from the transactions with the related parties above. These related parties are associated with the shareholders and/or the same group of committees. These financial statements include the results of such transactions as following criteria.

**Relationship**

Name of Company	Relationship
Deti Company Limited	Subsidiaries
Rabbit Prototype Company Limited	Subsidiaries
PT Indonesia AppliCAD Company Limited	Subsidiaries

During the year ended 31 December 2022 the Company had significant business transactions with related parties and companies. Such business transactions are subject to commercial terms and criteria agreed between the Company and related parties and companies. The important business transactions with related persons and companies can be summarized as follows:

		(Unit : Baht)	
		Separate	
		For the years ended 31 December	
	Relationship	2022	2021
Revenue from sales	Subsidiaries	3,510,562	2,440,186
Revenue from services	Subsidiaries	188,504	140,531
Other income	Subsidiaries	1,843,692	1,259,988
Purchasing of finished goods	Subsidiaries	386,628	1,111,354
Purchasing of services	Subsidiaries	25,123,740	9,468,377
Other Expenses	Subsidiaries	1,337,520	229,500
Interest received	Subsidiaries	893,109	708,631

The Company has agreed to enter into a service contract with PT Indonesia AppliCAD Company Limited in the amount of USD 2,656.25 per month. The contract has a period of 1 year from 1 January 2022 to 31 December 2022.

The Company has agreed to enter into a service contract with PT Indonesia AppliCAD Company Limited at amount of USD 2,656.25 per month. The contract has a period of 1 year from 1 January 2022 to 31 March 2023 and at amount of USD 3,156.25 from 1 April 2023 to 31 December 2023.

The Company has renewed land agreement with shareholder. The rental rate is Baht 55,000 per month. The agreement has a period of 3 years from 1 July 2022 to 30 June 2025.



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

The balances of the accounts as at 31 December 2022 and at 31 December 2021 between the Company and those related parties are as follows:

	(Unit : Baht)	
	As at 31 December 2022	As at 31 December 2021
<b>Trade and other receivables</b>		
Subsidiaries	3,573,720	2,192,692
<b>Trade and other payables</b>		
Subsidiaries	3,439,029	2,433,011

**Loans and accrued interest receivable to related parties**

Outstanding of loans and accrued interest receivable among company and subsidiaries, related companies and directors as at 31 December 2022 and at 31 December 2021, the movements of loans and accrued interest receivable were as follows:

	(Unit : Baht)			
	Separate			
	As at 31 December 2021	Increase	Decrease	As at 31 December 2022
Loans				
Subsidiaries	28,682,947	-	(7,047,011)	21,635,936
Accrued interest receivables	1,955,073	837,495	(357,299)	2,435,269
<u>Less</u> Expected credit loss	(7,350,446)	(9,023,890)	7,933,823	(8,440,513)
<b>Total</b>	<b>23,287,574</b>			<b>15,630,692</b>

As at 31 December 2022, the Company has loans under agreements with relates companies' number of Baht 21.64 million, as follows:

1. Deti Company Limited, the agreement has an interest rate of 2.85 percent per annum and payment conditions; when the borrower asked the sum of Baht 2.70 million.
2. Rabbit Prototype Company Limited, the agreement has an interest rate of 1.50 - 6.275 percent per annum and payment conditions; when the borrower asked the sum of Baht 8.84 million.
3. PT Indonesia ApplicAD Company Limited, the agreement has an interest rate of 6.25 and 4 percent per annum and payment conditions; when the borrower asked the sum of Baht 7.16 and Baht 2.95 million the company has recorded the allowance for the full amount.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

During the year 2022, the Company's management determined the recoverable amount of the subsidiary. The method is used to estimate the expected future cash flows discounted to the present value. However, the expected recoverable value sufficient for the loan account Therefore, the reversal of allowance for loss of DETI Company Limited was considered in the amount of baht 0.77 million because the performance of this company improved significantly.

The significant transactions between the Group and the companies and related parties which has been included in the financial statements as at 31 December 2022 and at 31 December 2021 as follows:

	(Unit : Baht)			
	Consolidated / Separate			
	As at 31 December 2021	Increase	Decrease	As at 31 December 2022
<u>Lease liabilities</u>				
(Major Shareholder)				
Lease liabilities	300,000	1,980,000	(630,000)	1,650,000
Deferred interest expenses	(5,414)	(151,741)	50,304	(106,851)
Lease liabilities - net	<u>294,586</u>			<u>1,543,149</u>

Remuneration of directors and management

During the years ended 31 December 2022 and 2021, the Company and its subsidiaries had employee benefit expenses paid to directors and management as follows:

	(Unit : Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	2022	2021	2022	2021
Short-term employee benefits	33,769,674	31,784,418	30,868,312	29,311,548
Post employment benefits	505,722	-	442,584	-
Total	<u>34,275,396</u>	<u>31,784,418</u>	<u>31,310,896</u>	<u>29,311,548</u>

	(Unit : Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	2022	2021	2022	2021
Provision for employee benefits				
- Management	8,808,970	7,220,575	6,792,786	4,674,579

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 6. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and at 31 December 2021 comprise the following:

	(Unit: Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Cash	52,144	2,647	-	-
Deposits	159,002,520	360,822,150	152,162,075	346,675,170
Total Cash and Cash equivalents	159,054,664	360,824,797	152,162,075	346,675,170

As at 31 December 2022, cash at banks - saving accounts carry interest at the rates of 0.15 - 0.35 per annum (2021: rates 0.05 - 0.40 per annum)

## 7. TRADE AND OTHER CURRENT RECEIVABLES

As at 31 December 2022 and at 31 December 2021 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates not yet due				
Undue	-	-	363,744	39,776
Overdue				
Less than 3 months	-	-	2,640,162	1,763,592
Over 3 months to 6 months	-	-	66,683	16,816
Over 6 months to 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	-	-	3,070,589	1,820,184
Less Expected credit loss	-	-	(1,145,045)	(834,009)
Total trade receivables - related parties	-	-	1,925,544	986,175

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Unit : Baht)

	Consolidated		Separate	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates not yet due				
Undue	68,824,616	58,066,524	56,304,509	52,863,215
Overdue				
Less than 3 months	24,506,232	15,938,345	22,737,632	12,831,911
Over 3 months to 6 months	717,609	618,122	407,980	59,289
Over 6 months to 12 months	80,009	790,544	68,346	13,427
Over 12 months	389,518	406,067	40,125	-
Total	94,517,984	75,819,602	79,558,592	65,767,842
<u>Less</u> Expected credit loss	(2,924,210)	(1,306,856)	(1,240,779)	(918,249)
Total trade receivables - unrelated parties	91,593,774	74,512,746	78,317,813	64,849,593
Other receivables - related parties	-	-	503,131	372,508
<u>Less</u> Expected credit loss	-	-	(164,323)	(191,492)
Net	-	-	338,808	181,016
Other receivables - unrelated parties	11,483,254	9,800,099	7,605,017	8,413,352
<u>Less</u> Expected credit loss	(52,590)	(87,107)	(52,590)	(87,107)
Net	11,430,664	9,712,992	7,552,427	8,326,245
Total trade and other current receivables	103,024,438	84,225,738	88,134,592	74,343,029

During the year 2022, advance expenses - research and development Among other debtors, the amount of Baht 771,908 is intangible assets under development. (Notes 14)

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

Expected credit loss for accounts receivable has changed as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Beginning balance	(1,393,963)	(1,829,365)	(2,030,857)	(3,995,157)
Increase	(1,582,837)	-	(571,880)	-
Decrease	-	435,402	-	1,964,300
Ending balance	(2,976,800)	(1,393,963)	(2,602,737)	(2,030,857)

During the year 2022 and 2021, the Company reversed allowance for based on the credit loss calculation results.

#### 8. Contract assets/Contract liabilities

As at 31 December 2022 and 31 December 2021 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Contract assets				
Unbilled receivables	-	648,957	-	648,957
Prepaid service cost	136,470,229	103,694,453	135,580,376	101,501,626
Total contract assets	136,470,229	104,343,410	135,580,376	102,150,583
Current contract assets	(106,920,086)	(87,275,477)	(108,847,905)	(85,640,351)
Non-current contract assets	29,550,143	17,067,933	26,732,471	16,510,232

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Contract liabilities				
Deferred Incomes	233,923,672	200,426,056	226,450,563	196,277,496
Total contract liabilities	233,923,672	200,426,056	226,450,563	196,277,496
Current contract liabilities	(189,607,820)	(170,696,383)	(185,180,204)	(167,123,905)
Non-current contract liabilities	44,315,852	29,729,673	41,270,359	29,153,591

During the year 2022, the group know that opening amount of lease agreement to income 170.69 million baht (separate financial statements amount: 167.12 million baht)

As at 31 December 2022, the Group expects to realize future revenues for contractual obligations with customers that have not yet performed or not completed amount of Baht 233.92 million. (separate financial statements: amount of Bath 226.45 million.), which the Group expects to complete the obligations under the said contract within 3 years and 1 month.

## 9. INVENTORIES

As at 31 December 2022 and 31 December 2021 comprise the following:

	(Unit : Baht)					
	Consolidated				Inventories - Net	
	Cost		Adjustment of cost deduction to net realizable value			
	As at 31	As at 31	As at 31	As at 31	As at 31	As at 31
December	December	December	December	December	December	
2022	2021	2022	2021	2022	2021	
Material	17,497,662	1,423,018	-	-	17,497,662	1,423,018
Work in process	18,133	1,162,318	-	-	18,133	1,162,318
Finished goods	43,877,243	38,582,375	(6,319,232)	(4,752,235)	37,558,011	33,830,140
Good in Transit	9,928,404	10,420,527	-	-	9,928,404	10,420,527
Total	71,321,442	51,588,238	(6,319,232)	(4,752,235)	65,008,210	46,836,003

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Unit : Baht)

	Separate					
	Cost		Adjustment of cost deduction to net realizable value		Inventories - Net	
	As at 31	As at 31	As at 31	As at 31	As at 31	As at 31
	December	December	December	December	December	December
	2022	2021	2022	2021	2022	2021
Finished goods	51,042,847	34,812,989	(5,788,921)	(4,257,975)	45,253,926	30,555,014
Good in Transit	10,489,151	10,420,527	-	-	10,489,151	10,420,527
Total	<u>61,531,998</u>	<u>45,233,516</u>	<u>(5,788,921)</u>	<u>(4,257,975)</u>	<u>55,743,077</u>	<u>40,975,541</u>

Allowance for impairment of consumables and inventories has been changed during the year as follows:

(Unit: Baht)

	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Beginning balance	(4,752,235)	(3,709,463)	(4,257,975)	(3,539,121)
Increase	(1,566,997)	(1,042,772)	(1,530,946)	(718,854)
Decrease	-	-	-	-
Ending balance	<u>(6,319,232)</u>	<u>(4,752,235)</u>	<u>(5,788,921)</u>	<u>(4,257,975)</u>

**10. Other current financial assets**

As at 31 December 2022, the Company has fixed deposits with a financial institution amount of Baht 141,816,223 and for a period of 12 months at an interest rate of 0.75 – 1.30 percent per annum.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2022 comprise the following:

(Unit : Baht)

Company's name	Separate			Impairment loss on investments	Total	
	Percentage of shareholding	Paid-up share capital	Cost		investment in subsidiaries - Net	Non-controlling interests
Deti Co., Ltd.	99.98	1,000,000	1,123,675	-	1,123,675	-
Rabbit Prototype Co., Ltd.	100.00	5,000,000	5,000,527	(337,629)	4,662,898	-
PT Indonesia						
AppliCAD Co., Ltd	67.00*	270,000 USD	6,111,736	(6,111,736)	-	(226,292)
Total					5,786,573	(226,292)

During the year 2022, the Company's management determined the recoverable amount of the subsidiary. The method is used to estimate the expected future cash flows discounted to the present value. In such matters, the Company's management has to make significant judgments and estimates amount of allowance for impairment of investments in subsidiaries. However, the expected recoverable value sufficient for the investment account therefore consider the reversal Allowance for impairment of investments of DETI Co., Ltd. amount of 1.12 million baht and Rabbit Prototype Co., Ltd. in the amount of 1.81 million baht.

As at 31 December 2021 comprise the following:

(Unit : Baht)

Company's name	Separate			Impairment loss on investments	Total	
	Percentage of shareholding	Paid-up share capital	Cost		investment in subsidiaries - Net	Non-controlling interests
Deti Co., Ltd.	99.98	1,000,000	1,123,675	(1,123,675)	-	-
Rabbit Prototype Co., Ltd.	100.00	5,000,000	5,000,527	(2,144,995)	2,855,532	-
PT Indonesia						
AppliCAD Co., Ltd	67.00*	270,000 USD	6,111,736	(6,111,736)	-	(251,407)
Total					2,855,532	(251,407)

\*The Company owns 180,900 shares of PT. Indonesia AppliCAD's Series B, accounting for 67 percent of the company's total issued shares. The Company's Series B shares will be entitled to a dividend at a rate of 95 percent of the dividend announced by PT. Indonesia AppliCAD, as provided in the Company's Articles of Association.



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

According to the Board of Directors Meeting No. 4/2018 held on 7 August 2018, it was decided to approve the change in shareholding in PT. AppliCAD Indonesia (APP Indo) from 99 percent to 67 percent in order to comply with the Indonesian law changes regarding foreign ownership stakes in distribution businesses. The Company has appointed a legal counsel to ensure that the maximum percentage of foreign owners is not more than 67 percent of the total number of shares sold (Distributor's sale not associated with production). To advise the company on how to comply with such rules and regulations. It will be able to keep the same level of control and benefits from APP Indo as previously.

In this context, the legal counsel has advised APP Indo to reclassify the company's shares as follows:

Shareholder	Type	No. of Shares	%
Mr. Ibnu Afi Sena (Local Shareholder)	Series A Shares	89,100	33.00
AppliCAD Co., Ltd	Series B Shares	180,900	67.00
Total Shares		270,000	100.00

Series B shareholders have the right to receive dividends before Series A shareholders at a rate of 95% of APP Indo's payouts. To clarify the structure of APP Indo's shareholders, it is proposed that the meeting consider and approve the sale of 89,100 shares, or 33 percent of the total issued shares of APP Indo, which are Series A shares with a 5 percent dividend right and the portion to be held by Indonesian shareholders, to Mr. Ibnu Afi Sena at a price of USD 13,500, which reflects the right to receive dividends of such shares.

During the year 2021, An administrative of company has consider the recoverable amount of subsidiaries. So, an allowance of investment of subsidiaries that has estimated receivable mount of discount of cash flow to the present. Then an administrative has to make significant judgments and estimate amount allowance of investment of subsidiaries. However, the receivable amount does not have loans account takes into account the allowance of investment of subsidiaries of Deti Co., Ltd. amount of Baht 1.12 million. And Rabbit Prototype Co., Ltd amount of Baht 2.15 million.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 12. PROPERTY, PLANTS AND EQUIPMENT

Property, plants and equipment as at 31 December 2022 and 2021 comprise the following:

	(Unit : Baht)								
	Consolidated								
	Land	Property	Rent buildings improvement	Office Equipment	Tool and Equipment	Vehicles	Assets during installation	Work in Progress Building improvements	Total
<b>Cost</b>									
As at 1 January 2022	19,918,461	31,316,435	22,803,586	48,430,507	47,070,467	8,909,531	-	586,620	179,035,607
Additions	-	-	1,544,631	4,906,167	15,264,503	1,809,143	-	4,268,780	27,793,224
Distribution	-	-	-	(480,037)	(3,163,529)	(2,565,002)	-	-	(6,208,568)
Transfer in (out)	-	-	3,950,000	-	-	-	-	(3,950,000)	-
amortization	-	-	(454,500)	(1,276,209)	(238,316)	-	-	-	(1,969,025)
As at 31 December 2022	19,918,461	31,316,435	27,843,717	51,580,428	58,933,125	8,153,672	-	905,400	198,651,238
<b>Accumulated Depreciation</b>									
As at 1 January 2022	-	4,920,003	11,634,798	38,881,024	17,757,974	5,345,980	-	-	78,539,779
Depreciation for the year	-	1,223,352	2,273,452	4,909,103	9,767,345	1,283,817	-	-	19,457,069
Depreciation for distribution	-	-	-	(454,801)	(1,040,219)	(2,552,631)	-	-	(4,047,651)
Depreciation for amortization	-	-	(343,208)	(1,254,002)	(192,430)	-	-	-	(1,789,640)
As at 31 December 2022	-	6,143,355	13,565,042	42,081,324	26,292,670	4,077,166	-	-	92,159,557
<b>Differences on translating financial statement</b>									458,298
<b>Book Value</b>									
As at 31 December 2022	19,918,461	25,173,080	14,278,675	9,499,104	32,640,455	4,076,506	-	905,400	106,949,979
<b>Depreciation for the year 2022</b> (amount of baht 2.03 million included in the service costs. The rest is included in sales and management costs)									19,457,069

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

	(Unit : Baht)								
	Consolidated								
	Land	Property	Rent buildings improvement	Office Equipment	Tool and Equipment	Vehicles	Assets during installation	Work in Progress Building improvements	Total
<b>Cost</b>									
As at 1 January 2021	19,918,461	31,316,435	21,530,404	44,201,140	33,583,073	9,513,652	-	-	160,063,165
Additions	-	-	1,487,982	5,671,080	13,500,942	2,081,000	76,346	992,620	23,809,970
Distribution	-	-	-	(927,015)	-	(2,685,121)	-	-	(3,612,136)
Transfer in (out)	-	-	70,000	6,346	-	-	(76,346)	(406,000)	(406,000)
amortization	-	-	(284,800)	(521,044)	(13,548)	-	-	-	(819,392)
As at 31 December 2021	19,918,461	31,316,435	22,803,586	48,430,507	47,070,467	8,909,531	-	586,620	179,035,607
<b>Accumulated Depreciation</b>									
As at 1 January 2021	-	3,696,359	9,942,567	35,296,530	11,248,418	7,255,009	-	-	67,438,883
Depreciation for the year	-	1,223,644	1,957,063	4,991,195	6,522,055	776,085	-	-	15,470,042
Depreciation for distribution	-	-	-	(894,715)	-	(2,685,114)	-	-	(3,579,829)
Depreciation for amortization	-	-	(264,832)	(511,986)	(12,499)	-	-	-	(789,317)
As at 31 December 2021	-	4,920,003	11,634,798	38,881,024	17,757,974	5,345,980	-	-	78,539,779
<b>Differences on translating financial statement</b>									300,901
<b>Book Value</b>									
As at 31 December 2021	19,918,461	26,396,432	11,168,788	9,549,483	29,312,493	3,563,551	-	586,620	100,796,729
<b>Depreciation for the year 2021</b> (amount of baht 2.35 million included in the service costs. The rest is included in sales and management costs)									15,470,042

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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(Unit : Baht)

	Separate							Total
	Land	Property	Rent buildings improvement	Office Equipment	Tool and Equipment	Vehicles	Work in Progress Building improvements	
<b>Cost</b>								
As at 1 January 2022	19,918,461	31,316,435	20,256,785	34,209,651	35,107,287	8,350,990	586,620	149,746,229
Additions	-	-	1,544,631	4,315,386	15,202,503	1,809,143	4,268,780	27,140,443
Distribution	-	-	-	(401,325)	(3,163,529)	(2,565,002)	-	(6,129,856)
Transfer in (out)	-	-	3,950,000	-	-	-	(3,950,000)	-
amortization	-	-	(454,500)	(1,247,368)	(238,316)	-	-	(1,940,184)
As at 31 December 2022	19,918,461	31,316,435	25,296,916	36,876,344	46,907,945	7,595,131	905,400	168,816,632
<b>Accumulated Depreciation</b>								
As at 1 January 2022	-	4,920,003	10,242,344	28,822,596	11,030,550	4,710,317	-	59,725,810
Depreciation for the year	-	1,223,352	1,981,656	3,557,622	8,188,569	1,247,827	-	16,199,026
Depreciation for distribution	-	-	-	(401,286)	(1,040,219)	(2,552,631)	-	(3,994,136)
Depreciation for amortization	-	-	(343,208)	(1,225,164)	(192,431)	-	-	(1,760,803)
As at 31 December 2022	-	6,143,355	11,880,792	30,753,768	17,986,469	3,405,513	-	70,169,897
<b>Book Value</b>								
As at 31 December 2022	19,918,461	25,173,080	13,416,124	6,122,576	28,921,476	4,189,618	905,400	98,646,735
<b>Depreciation for the year</b>								
2022 (amount of baht 0.15 million included in the service costs. The rest is included in selling and administrative expenses)								16,199,026

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Unit : Baht)

	Separate							Total
	Land	Property	Rent buildings improvement	Office Equipment	Tool and Equipment	Vehicles	Work in Progress Building improvements	
<b>Cost</b>								
As at 1 January 2021	19,918,461	31,316,435	18,990,791	32,265,099	21,880,884	8,955,111	-	133,326,781
Additions	-	-	1,458,794	3,344,771	13,232,304	2,081,000	992,620	21,109,489
Distribution	-	-	-	(927,015)	-	(2,685,121)	-	(3,612,136)
Transfer in (out)	-	-	-	-	-	-	(406,000)	(406,000)
amortization	-	-	(192,800)	(473,204)	(5,901)	-	-	(671,905)
As at 31 December 2021	19,918,461	31,316,435	20,256,785	34,209,651	35,107,287	8,350,990	586,620	149,746,229
<b>Accumulated Depreciation</b>								
As at 1 January 2021	-	3,696,359	8,763,439	26,429,209	6,081,867	6,656,190	-	51,627,064
Depreciation for the year	-	1,223,644	1,651,741	3,752,254	4,954,196	739,241	-	12,321,076
Depreciation for distribution	-	-	-	(894,715)	-	(2,685,114)	-	(3,579,829)
Depreciation for amortization	-	-	(172,836)	(464,152)	(5,513)	-	-	(642,501)
As at 31 December 2021	-	4,920,003	10,242,344	28,822,596	11,030,550	4,710,317	-	59,725,810
<b>Book Value</b>								
As at 31 December 2021	19,918,461	26,396,432	10,014,441	5,387,055	24,076,737	3,640,673	586,620	90,020,419
<b>Depreciation for the year</b>								
2021 (amount of baht 0.21 million included in the service costs. The rest is included in sales and management costs)								12,231,076

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022**

During the year of 2022, the Company and subsidiaries has distributed office equipment and vehicles to other non related companies according to the book value of assets disposed as 2,123,309 baht and 1 baht , with the profit from the disposal of assets as 1,678,117 baht and 682,242 baht respectively, which have been recorded in the statement of comprehensive income.

During the year of 2022, the Company and subsidiaries has distributed office equipment, vehicles, and tool and equipment to other related companies according to the book value of assets disposed as 42 baht, 25,195 baht and 12,370 baht respectively, with the profit from the disposal of assets as 28,318 baht and 1,649 baht and loss from the disposal of assets as 20,055 baht respectively, which have been recorded in the statement of comprehensive income.

During the year of 2022, Improvements to the leasehold office equipment and tool and equipment Because the corporation canceled the leases of buildings and office equipment, the book value of the amortized assets was 179,363 baht, respectively. Because the equipment cannot be fixed, the management is considering removing it from the property registry.

As at 31 December 2022, land and buildings are valued at cost in the consolidated and separate financial statements in the amount of 23,914,826 baht which is the net value after accumulated depreciation in the consolidated and separate financial statements amount of 3,245,404 baht. Which has been mortgaged as collateral for contingent liabilities. (Note 25.2, 25.3, 25.4)

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

## 13. RIGHT OF USE ASSETS

The movement transactions for the year ended 31 December 2022 and 2021 as follow:

	(Unit : Baht)			
	Consolidated			
	The right -of-use land	The right -of- use building rental area	The right -of-use office equipment	Total
<b>Cost</b>				
As at 1 January 2021	2,094,323	4,749,611	-	6,843,934
Additions financial lease	2,054,490	1,184,206	-	3,238,696
As at 31 December 2021	4,148,813	5,933,817	-	10,082,630
Additions financial lease	1,828,259	10,922,674	677,889	13,428,822
As at 31 December 2022	5,977,072	16,856,491	677,889	23,511,452
<b>Accumulated depreciation</b>				
As at 1 January 2021	1,116,705	2,114,110	-	3,230,815
Depreciaion for the year	1,236,840	2,000,911	-	3,237,751
As at 31 December 2021	2,353,545	4,115,021	-	6,468,566
Depreciaion for the year	1,266,524	3,096,987	585,641	4,949,152
As at 31 December 2022	3,620,069	7,212,008	585,641	11,417,718
<b>Book value</b>				
As at 31 December 2021	1,795,268	1,818,796	-	3,614,064
As at 31 December 2022	2,357,003	9,644,483	92,248	12,093,734

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Unit : Baht)

	Separate			
	The right -of-use			Total
	The right -of-use land	building rental area	The right -of-use office equipment	
<b>Cost</b>				
As at 1 January 2021	2,094,323	1,754,399	-	3,848,722
Additions financial lease	2,054,490	-	-	2,054,490
As at 31 December 2021	4,148,813	1,754,399	-	5,903,212
Additions financial lease	1,828,259	10,922,674	677,889	13,428,822
Less financial lease	(2,094,323)	(1,754,399)	-	(3,848,722)
As at 31 December 2022	3,882,749	10,922,674	677,889	15,483,312
<b>Accumulated depreciation</b>				
As at 1 January 2021	1,116,705	923,447	-	2,040,152
Depreciaion for the year	1,236,840	825,785	-	2,062,625
As at 31 December 2021	2,353,545	1,749,232	-	4,102,777
Add Depreciaion for the year	1,266,524	1,923,274	585,641	3,775,439
Less Depreciaion for the year	(2,094,323)	(1,754,399)	-	(3,848,722)
As at 31 December 2022	1,525,746	1,918,107	585,641	4,029,494
<b>Book value</b>				
As at 31 December 2021	1,795,268	5,167	-	1,800,435
As at 31 December 2022	2,357,003	9,004,567	92,248	11,453,818

As at 31 December 2022, the Company and subsidiaries has entered into a land lease agreement, building lease agreement and equipment lease agreement as follows:

1. The Company has entered into a land lease agreement with unrelated companies for a period of 3 years, with a period of which the agreement is from 1 March 2021 to 28 February 2024 and rental rate Baht 28,021 per month.
2. The Company has entered into a land lease agreement with unrelated companies for a period of 3 years, with a period of which the agreement is from 1 January 2021 to 31 December 2023 and rental rate Baht 34,737 per month.
3. The Company has entered into a land lease agreement with major shareholder for a period of 3 years, with a period of which the agreement is from 1 July 2022 to 30 June 2025 and rental rate Baht 55,000 per month.



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

4. The Company has entered into a building lease agreement with unrelated companies for a period of 5 years, with a period of which the agreement 3 years is from 1 March 2022 to 28 February 2025 and rental rate Baht 200,000 per month and a period of which the agreement 2 years is from 1 March 2025 to 28 February 2027 and rental rate Baht 220,000 per month
5. The Company has entered into an office equipment lease agreement with unrelated companies for a period of 4 years, with a period of which the agreement is from 1 March 2019 to 28 February 2023 and rental rate Baht 5,800 per month.
6. The Company has entered into an office equipment lease agreement with unrelated companies for a period of 3 years, with a period of which the agreement is from 1 March 2020 to 28 February 2023 and rental rate Baht 5,700 per month.
7. The Company has entered into an office equipment lease agreement with unrelated companies for a period of 4 years, with a period of which the agreement is from 1 March 2020 to 28 February 2024 and rental rate Baht 5,800 per month.
8. The Subsidiaries has entered into a building lease agreement with unrelated companies for a period of 2 years, with a period of which the agreement is from 2 February 2021 to 2 February 2023 and rental rate Baht 52,631.58 per month.
9. A building rental arrangement was taken into by the subsidiary with an unrelated company for a 3 years period with a contractual period. (And can be renewed for another 3 years at the end of the contract) with a rental fee of Baht 21,768.75 per month from 1 November 2018 to 31 October 2024.
10. The subsidiary firm has engaged into a 1-year building space leasing arrangement with an unrelated company (which can be renewed for another 3 years at the end of the contract period), with the contract term beginning 1 July 2019 to 30 June 2023. With a monthly rental rate of Baht 33,193.60.

## 14. OTHER INTANGIBLE ASSETS

The movements of intangible assets for the year ended 31 December 2022 and 2021 comprise the following:

	(Unit : Baht)	
	Consolidated	Separate
<b>Cost</b>		
As at 1 January 2021	8,916,657	8,797,748
Additions	12,320,863	12,263,151
As at 31 December 2021	21,237,520	21,060,899
Additions	8,528,170	8,407,598
Accept transfer (Notes 7)	771,908	771,908
As at 31 December 2022	30,537,598	30,240,405

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

	(Unit : Baht)	
	Consolidated	Separate
<b>Amortization</b>		
As at 1 January 2021	(3,581,329)	(3,492,737)
Amortization for the year	(811,634)	(759,316)
As at 31 December 2021	(4,392,963)	(4,252,053)
Amortization for the year	(945,610)	(872,475)
transfer	(771,908)	(771,908)
As at 31 December 2022	(6,110,481)	(5,896,436)
<b>Differences on translating financial statement</b>	(2,156)	-
<b>Book value</b>		
As at 31 December 2021	16,844,557	16,808,846
As at 31 December 2022	24,424,961	24,343,969

Amortization charge in the consolidated and separate financial statements are of Baht 0.77 million and Baht 0.77 million is recorded in administrative expenses, respectively.

During the year of 2022, the company has been recorded expenses directly related to get Intangible Assets as following Salary Improvement Program amount of Baht 8.26 million.

As at 31 December 2022, the Company possesses intangible assets that are still under development and have not yet begun amortization amount of Baht 20.29 million. (as at 31 December 2021 amount of Baht 15.03 million).

## 15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at 31 December 2022 and at 31 December 2021 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Trade				
- Related parties	-	-	3,438,412	2,433,011
- Unrelated parties	70,688,478	63,534,151	63,807,469	58,193,516
Other Trade payables	19,904,982	19,115,022	12,936,249	15,609,952
Accrued expenses	35,097,633	38,482,942	31,184,949	34,421,058
Total Trade and other current payables	125,691,093	121,132,115	111,367,079	110,657,537

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 16. LEASE LIABILITIES

Lease Liabilities as at 31 December 2022 and at 31 December 2021 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
As at 1 January	3,770,153	3,724,726	1,865,076	1,864,978
Addition/ lease term reconsidering	13,046,445	3,238,696	13,046,445	2,054,490
Accretion of interest	669,589	330,069	584,335	177,817
Payments	(4,992,348)	(3,523,338)	(3,701,221)	(2,232,209)
As at 31 December	12,493,839	3,770,153	11,794,635	1,865,076
<u>Less</u> Current portion due within one year	(3,849,573)	(2,290,607)	(3,361,924)	(1,084,734)
Finance lease liabilities - net of current portion due more than one year	8,644,266	1,479,546	8,432,711	780,342

Expenses for the year ended 31 December 2022 and 2021 recognized in profit or loss:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Depreciation of right-of-use assets	4,949,152	3,237,751	3,775,439	2,062,625
Interest expense on lease liabilities	669,589	330,069	584,335	177,817
Total	5,618,741	3,567,820	4,359,774	2,240,442

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 17. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

As at 31 December 2022 and at 31 December 2021 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
The benefit obligations at the beginning of the year	46,693,467	41,650,941	38,215,207	34,664,570
Current service costs	5,806,358	4,746,157	5,359,442	4,083,449
Interest costs	845,588	990,840	808,446	565,234
Differences actuarial science	1,559,656	-	1,957,351	-
Transfer employees	-	-	628,279	(400,214)
Differences on translating Financial statement	-	3,361	-	-
Benefits paid during the year	(1,551,308)	(697,832)	(1,425,804)	(697,832)
The benefit obligations at the end of the year	<u>53,353,761</u>	<u>46,693,467</u>	<u>45,542,921</u>	<u>38,215,207</u>
The benefit obligations	53,353,761	46,693,467	45,542,921	38,215,207
<u>Less</u> Current portion of long-term	<u>(3,132,387)</u>	<u>(1,448,132)</u>	<u>(1,654,244)</u>	<u>(1,241,854)</u>
The benefit obligations - Net	<u>50,221,374</u>	<u>45,245,335</u>	<u>43,888,677</u>	<u>36,973,353</u>

During the year 2022, the company had employee was transferred to Rabbit Prototype Company Limited, resulting in a loss of Baht 628,279 in the provision for employee benefits.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2022

Expenses relating to long-term employee benefits recognized in profit or loss.

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Cost of Selling and Service	634,180	820,985	144,587	119,614
Selling and Administrative				
expenses	6,017,766	4,916,012	6,023,301	4,529,069
Total	6,651,946	5,736,997	6,167,888	4,648,683

As at 31 December 2022, the weighted average duration to pay the long-term benefits of employees of the Company and its subsidiaries in the consolidated financial statements are approximately about 14.3 years (2021: 14.9 years)

The key assumptions for estimation as the actuarial science to calculate the provisions for employees' benefits are as follows:

	Consolidated	
	As at 31 December 2022	As at 31 December 2021
Discount rate (percent per year)	0.51 - 3.25	1.19 - 8.70
Average salary increases rate (percent per year)	4.5 - 7.0	6 - 8
Turnover rate	0 - 16	0 - 23
Retirement	55	55
	Separate	
	As at 31 December 2022	As at 31 December 2021
Discount rate (percent per year).	0.51 - 3.25	1.19 - 2.23
Average salary increases rate (percent per year)	4.5 - 7.0	6 - 8
Turnover rate	0 - 16	0 - 23
Retirement	55	55

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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The analysis of the sensitivity of the key assumptions as the actuarial science which affects the increases (decreases) of the employees' benefit obligations as at 31 December 2022 are as follows

	(Unit : Baht)			
	Changes in present value of employee benefit obligations increased (decreased)			
	Consolidated		Separate	
	Increase 1.00%	Decrease 1.00%	Increase 1.00%	Decrease 1.00%
Discount rate	(4,147,273)	4,788,791	(3,637,496)	4,210,492
Future Salary increase rate	5,120,147	(4,486,075)	4,493,661	(3,929,468)

	(Unit : Baht)			
	Changes in present value of employee benefit obligations increased (decreased)			
	Consolidated		Separate	
	Increase 20.00%	Decrease 20.00%	Increase 20.00%	Decrease 20.00%
Employee turnover rate	(3,497,446)	4,139,089	(3,099,686)	3,682,956

The analysis of the sensitivity above might not show the actual changes in the employee's benefit obligations because it is difficult to change the various assumptions that arise separately from the other assumptions which may be relevant.

The analysis of the due of the amount of the benefit payables in the future before the discount as at 31 December 2022 are as follows

	(Unit : Baht)	
	Consolidated	Separate
Within 1 year	3,132,387	1,654,244
More than 1 year but not over 5 years	18,765,007	18,055,894
More than 5 years	130,001,189	113,884,887

**18. LEGAL RESERVE**

Under the Public Limited Companies Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 19. DIVIDEND

Dividend	Approved by	Dividend payment		Due date
		Dividend payment (Million Baht)	Dividend payment per share (Baht)	
Dividend from profit 2021	The Board of Directors Meeting No.1/2022 On 25 February 2022	<b>56.00</b>	<b>*0.20</b>	23 May 2022
Dividend from profit 2020	The Board of Directors Meeting No.1/2021 On 25 February 2021	<b>42.00</b>	<b>0.15</b>	14 May 2021

\*Documents from the shareholders' 2022 Annual General Meeting, which was held on 28 April 2022. The approval of dividend payment from the Company's operating performance for the year ended 31 December 2021 at the amount of Baht 0.20 per share as the total amount of Baht 56,000,000 on 23 May 2022, dividends will be paid to stockholders who are eligible on 6 May 2022, the record date for dividend payments.

## 20. EXPENSES BY NATURE

The following significant expenditure items, classified by nature are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Salaries and other employees				
benefits	183,401,768	177,068,715	154,179,927	147,909,681
Commission	56,677,078	56,216,759	52,653,083	53,070,067
Depreciation and amortization	25,351,832	19,519,427	20,846,940	15,143,017
Goods and services	556,241,568	430,748,375	501,978,533	366,955,671
Changes in inventories	(18,166,207)	18,376,911	(14,767,536)	12,673,613

## 21. PROVIDENCE FUND

The Company and the employees of the Company have established the providence fund as the Provident Fund Act, B.E. 2530. The Company and the employees will monthly pay the contributions to the fund at the rate of 2-5 percent of salary. This providence fund is under the management of Kasikornthai Asset Management Company Limited and these contributions will be paid back to the employees when resigning as the regulations of the Company's fund. In during the year 2022, the Company and its subsidiaries acknowledge these contributions as the amount of Baht 0.44 million and Baht 0.51 million, respectively.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 22. INCOME TAX

Income tax expense for the years ended 31 December 2022 and 2021 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Income tax for the years	14,245,539	17,986,414	13,514,641	17,155,262
<b>Deferred income tax :</b>				
Deferred income tax from temporary differences and reversal of temporary differences	(2,590,948)	4,822,912	(993,699)	6,835,772
<b>Income tax expense shown in statement of comprehensive income</b>	<b>11,654,591</b>	<b>22,809,326</b>	<b>12,520,942</b>	<b>23,991,034</b>

The reconciliations between accounting profits and income tax expenses are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Accounting profit before income tax	58,153,441	81,534,467	59,802,973	83,220,243
Division of accounting profit before income tax in each income tax's rate of the Company and its subsidiaries are as follows				
Exemption of income tax	-	-	-	-
Income tax rate of 20 percent	58,153,441	81,534,467	59,802,973	83,220,243
Accounting profit before income tax				
Multiplied by the tax rate	12,893,953	16,306,893	11,960,594	16,644,049
Tax impact for:				
Expenses cannot be deducted as expenditure for tax	4,018,734	2,175,298	3,578,649	1,747,864
Losses carried forward	(759,953)	-	-	-
Tax Losses carried forward	1,119,882	-	-	-



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Tax loss of subsidiaries that has not been				
Recorded as deferred assets	(719,537)	445,871	-	-
The expense account with more deductions	(2,307,541)	(941,648)	(2,024,602)	(1,236,651)
Total	14,245,538	17,986,414	13,514,641	17,155,262
Deferred tax arising from temporary				
differences and reversal of temporary				
differences	(2,590,947)	4,822,912	(993,699)	6,835,772
Income tax expense show in statement of				
Comprehensive income	11,654,591	22,809,326	12,520,942	23,991,034

The components of deferred tax assets and the deferred tax liabilities comprise of the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Allowance for doubtful accounts				
- loans to subsidiaries	-	-	1,688,102	1,470,089
Allowance for doubtful accounts	520,547	257,644	520,548	406,171
Allowance for product impairment	1,263,847	925,734	1,157,784	851,595
Allowance for impairment of				
investment in subsidiaries	-	-	1,289,873	1,876,081
Provision for long-term employee				
benefits	11,071,683	8,785,940	9,108,584	7,643,042
Short-term provisions	-	336,591	-	336,591
Provision for liabilities from				
demolition	217,084	-	135,684	-
Financial lease	69,165	-	68,163	-
Unused tax losses	1,478,208	1,192,216	-	-
Total	14,620,534	11,498,125	13,968,738	12,583,569

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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## 23. EARNING PER SHARE

Basic earnings per share are calculated by dividing profit for the years attributed to equity holders of the Company. (Excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
<b>For the years ended 31 December</b>				
Profit (loss) attributable to equity holders of the Company (Baht)	46,473,736	58,459,215	47,282,032	59,229,209
Effect of dilutive potential ordinary shares (shares)	<u>280,000,000</u>	<u>280,000,000</u>	<u>280,000,000</u>	<u>280,000,000</u>
Basic earnings (loss) per shares	<u>0.17</u>	<u>0.21</u>	<u>0.17</u>	<u>0.21</u>

## 24. FINANCIAL STATEMENTS BY SEGMENT

This operating segment information presented is consistent with internal report which the board of directors have been regularly reviewed. This is used to make decisions about allocating resources to the segment and evaluating the performance of the segment. The top decision maker for the company's operations is the Board of Directors.

For administrative purposes, the Company and its subsidiaries are structured as a business unit by type of products and services. The Company and its subsidiaries have three reportable segments as follows:

1. Computer software sales division it is a sales division of computer programs for specific applications and peripherals.
2. Sale division of machinery, equipment and other products as part of sale division of machinery, computer parts, spare parts, materials and other product.
3. Service division as part of computer maintenances services, design and manufacture of industrial parts and prototypes and other services.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2022**

The top decision makers review the performance of each business unit separately for the purpose of making decision regarding resource allocation and performance appraisal. The Company evaluated the performance of the segment by considering from operating profit or loss and total assets measured by using the same criteria used to measure profit or loss from operations and total assets in the financial information. However, the Company and its subsidiaries have central management which manages finance (including financial expenses and financial income) and the income tax of the whole group. Such revenues and expenses are not allocated to each operating segment.

Accounting for transactions between reporting segments is the same as accounting for business transactions with outsiders.

Information of income, profit and total assets of the company and its subsidiaries as at 31 December 2022 and 2021 are as follows:

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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	For the years ended 31 December						(Unit: Million Baht)	
	Sale department / used rental computer program		Sale department machine, equipment and other products		Service department		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Timing of revenue recognition</b>								
Point in time	271	260	195	194	38	24	504	478
Over time	60	7	-	-	312	300	372	307
Total income	331	267	195	194	350	324	876	785
<b>Revenue from sales and services</b>	<u>331</u>	<u>267</u>	<u>195</u>	<u>194</u>	<u>350</u>	<u>324</u>	<u>876</u>	<u>785</u>
<b>Profit of segment</b>	126	109	54	62	175	171	355	342
Unallocated revenue and expenses:								
Other income							13	14
Distribution costs							(199)	(174)
Administrative expenses							(111)	(100)
Finance costs							-	-
Income tax expenses							(12)	(23)
Profit for the years							<u>46</u>	<u>59</u>

Revenue from external customers is based on locations of the customers.

	(Unit : Million Baht)	
	2022	2021
Revenue from external customers		
Thailand	820	730
Indonesia	55	55
Total	<u>875</u>	<u>785</u>

#### Major customers

In the year 2022 and 2021, the company has not revenue from one customer that is equal to or more than 10 percent of total revenue.

## 25. COMMITMENTS AND CONTINGENT LIABILITIES

### 25. 1. Capital commitments

As at 31 December 2022 and 31 December 2021, the company and its subsidiaries have commitments in respect of the expenditure as are follow:

	(Unit : Million Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31	31 December	31 December	31
	December	2021	2022	December
	2022			2021
Building improvements	-	0.32	-	0.32
Total	-	0.32	-	0.32

The Company and subsidiaries entered into operating lease agreements related to building lease and service contract. The term of the agreement is from 1 to 3 years.

As at 31 December 2022 and 31 December 2021, the Company and its subsidiaries have paid minimum amount in the future under operating leases and services are as follows:

	(Unit : Million Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31	31	31	31
	December	December	December	December
	2022	2021	2022	2021
Payment				
Due within one year	1.52	2.24	0.38	1.03
Due over 1 year but not over 3 years	0.04	0.26	0.08	0.20

## 25.2. Guarantees

As at 31 December 2022, the Company and its subsidiaries were outstanding bank guarantees of approximately amount of Baht 20.10 million to performance guarantee of the contract. (As at 31 December 2021: amount of Baht 20.10 million)

	(Unit : Baht)	
	Consolidated / Separate	
	As at	As at
	31 December	31 December
	2022	2021
Used credit to guarantee		
- Performance under contract	7,275,880	6,855,608

## 25.3. Letter of credit and trust receipts

The Company has credit facilities of letters of credit and trust receipts amount of Baht 33 million, as at 31 December 2022, the Company has not used such credit lines.

## 25.4. Forward foreign currency exchange contracts

As at 31 December 2022 and 31 December 2021, the company has forward foreign exchange contracts settlement date on open forward contracts ranged 4 months and 4 months respectively, foreign currency was USD and amounts to be received and contractual exchange rates of the outstanding contracts were:

(Unit : Baht)

Contract periods	Consolidated / Separate					
	Contract amount		Contract exchange rate		As at 31 December 2022	As at 31 December 2021
	As at 31 December	As at 31 December	As at 31 December	As at 31 December		
	2022	2021	2022	2021		
12/10/2021 - 14/02/2022	-	150,000	-	33.85	-	5,077,500
12/10/2021 - 14/02/2022	-	120,000	-	33.80	-	4,056,000
7/12/2021 - 8/04/2022	-	200,000	-	33.85	-	6,770,000
24/12/2021 - 27/04/2022	-	277,000	-	33.62	-	9,312,740
24/12/2021 - 27/04/2022	-	200,000	-	33.55	-	6,710,000
30/12/2021 - 5/05/2022	-	1,000,000	-	33.47	-	33,470,000
28/10/2022 - 28/02/2023	300	-	37.85	-	11,355	-
3/11/2022 - 3/03/2023	200,000	-	37.97	-	7,594,000	-
7/11/2022 - 7/03/2023	130,000	-	37.45	-	4,868,500	-
29/11/2022 - 29/03/2023	200,000	-	35.95	-	7,190,000	-
8/12/2022 - 10/04/2023	37,000	-	35.26	-	1,304,620	-

### Fair value

The net fair value of forward foreign exchange contracts as at 31 December 2022, is forward foreign exchange contracts as assets /liabilities amount of Baht 1.36 million.

The fair value of forward foreign exchange contracts has been calculated using rate quoted by the counterpart bank to terminate the contract on 31 December 2022. The valuation is classified as level 2 of the fair value hierarchy.

From the under notes about obligations and contingent liabilities (Notes 25.1 - 25.4), the company has used the land and building mortgage as security for contingent liabilities. (Note 12)

## 26. FINANCIAL INSTRUMENTS

### 26.1. Risk Management Policy

The Company's and its subsidiaries financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables and other receivables, term loans and accrued interest receivable to related parties, short - term borrowings from financial institutions, trade payables and other payables, short - term borrowings and accrued interest payable from related parties, Advances received from Directors and Liabilities under finance lease and hire purchase agreements. The Company and its subsidiaries have risk relevant financial instruments and have a risk management policy as follow:

#### **Credit risk**

The Company and its subsidiaries have credit risk relevant to trade receivables and other receivables and term loans. The management controls the risk by assign appropriate credit control policies and procedures, therefore the company and its subsidiaries do not expect to incur material loses from credit. In addition, the Company and its subsidiaries does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and other receivables, term loan receivable and accrued interest receivables to related parties as stated in the statements of financial position.

#### **Interest rate risk**

The Company's and its subsidiaries have interest rate risk relates primarily to its deposits at financial institutions, short-term loans and accrued interest receivable to related parties, short - term borrowings from financial institutions and short - term borrowings and accrued interest payable from related parties, mostly financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate in the present. Significant financial assets and liabilities can be classified by interest rate for financial assets and liabilities that carry fixed interest rates can be classified by maturity date or the new interest rate date. (If there is a new interest rate date before) as follows:



(Unit : Million Baht)

Consolidated						
As at 31 December 2022						
Fixed interest rate		Interest Rate			Total	Real interest rate (%)
Within 1 year	Over 1 to 5 years	Up or Down depending on Market Price	None Rate interest			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	159.05	-	159.05	0.15 - 0.35
Trade and other current receivable	-	-	-	103.02	103.02	-
Other curent financial assets	141.82	-	-	-	141.82	0.75 - 1.30
<b>Financial liabilities</b>						
Trade and other current payables	-	-	-	125.69	125.69	-
Lease liabilities	4.41	9.36	-	-	13.77	6.275

(Unit : Million Baht)

Consolidated						
As at 31 December 2021						
Fixed interest rate		Interest Rate			Total	Real interest rate (%)
Within 1 year	Over 1 to 5 years	Up or down depending on Market Price	None Rate interest			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	360.82	-	360.82	0.05 - 0.40
Trade and other current receivable	-	-	-	84.23	84.23	-
Other curent financial assets	-	-	1.00	-	1.00	0.55
<b>Financial liabilities</b>						
Trade and other current payables	-	-	-	121.13	121.13	-
Lease liabilities	2.29	1.48	-	-	3.77	6.275

### Foreign exchange risk

As at 31 December 2022 and 31 December 2021, Group Company's exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies are as follow:

	Currency	As at 31 December 2022	As at 31 December 2021
Accounts receivable in foreign currencies	US Dollar	91,162	71,222
Accounts payable in foreign currencies	US Dollar	1,500,074	1,448,577
	EURO	558	5,961
	HKD	19,051	-
	CNY	20,900	-

### 26.2. Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depend on the nature of the instrument.

### 27. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern and strengthen the value of shareholding to shareholder. According to the statements of financial position as at 31 December 2022, the Group's debt to equity ratio was 1.2:1(as at 31 December 2021: 1.1:1) and separate was 1.1:1 (as at 31 December 2021: 1.0:1)

### 28. SUBSEQUENT EVENT

At the Board of Directors' Meeting No. 1/2023 on 17 February 2023, has approved the following matters:

- Approved the schedule for the 2023 Annual General Meeting of Shareholders by holding the meeting on Wednesday, 26 April 2023 at True Digital Park, 6th Floor, Auditorium Room 101, Sukhumvit Road, Bang Chak, Phra Khanong, Bangkok, at 10:00 a.m.

- The meeting passed a resolution approving to propose that the Meeting of Shareholders to be approve the payment of dividends for the operating performance ended as at 31 December 2022. The company has the net profit amount of Baht 47,282,032 part of which is classified as legal reserve and pay dividends at Baht 0.14 per share, The total amount of Baht 39,200,000 The list of shareholders entitled to receive such dividend will be determined on 8 May 2023, and the dividend will be paid by 22 May 2023, but the right to receive such dividend is still uncertain because it needs to be approved by the shareholders' meeting first.

## 29. APPROVAL OF FINANCIAL STATEMENT

These financial statements were authorized for issue by the Board of Directors on 17 February 2023.

**Attachment**

Attachment 1 Information of Directors, executives, controlling persons and company secretary

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Asst. Prof. Dr. Prasert Kanthamamon Chairman of the Board of Directors and Independent Director	60	Bachelor of Engineering (Electrical Engineering), King Mongkut's University of Technology Thonburi Ph.D. Computer Engineering, School of Computer Science and Engineering, University of New South Wales, Australia  Directors Certification Program (DCP), Class 151/2018	-	-	2015 - Present	Chairman of the Board of Directors and Independent Director	AppliCAD Public Company Limited	Distribution of complete design solutions
					2019 – Present	Vice Chairman	Innovation Development Foundation	Promoting and developing university innovations
					2015 – 2019	Director	Innovation Development Foundation	Promoting and developing university innovations
					2015 – Present	Director	Nawawiwat Company Limited	Promoting and developing university innovations
					2010 – Present	Senior Vice Rector for Administrative Affairs and Chief Information Officer	King Mongkut's University of Technology Thonburi	University
Dr. Isra Akrapitak Director, member of Nomination and Compensation Committee, Chairperson of Executive Committee, Executive Director and Chief Operating Officer  (Authorized Director)	53	Bachelor of Business Administration, Assumption University  Master of Management, Thames Business School  Master of Business Administration, University of Portsmouth  Doctorate in Business Administration, University VAN Amsterdam  Directors Accreditation Program (DAP), Class 81/2009	0.71	-	2022 - present	Director and CEO	AppliCAD Public Company Limited	Distribution of complete design software
					2021 – present	Nomination and Compensation Committee	AppliCAD Public Company Limited	Distribution of complete design software in Indonesia
					2014 - Present	Chief Operating Officer	AppliCAD Public Company Limited	Distribution of complete design software
					2014 - Present	Director	PT. Indonesia AppliCAD	Distribution of complete design software
					2014 - Present	Director	DETI Company Limited	Software training center

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Mr. Somsak Worraraksa Director and Executive Director of AEC Business  (Authorized Director)	53	Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi  Directors Accreditation Program (DAP), Class SET/2012	-	-	2012 - Present  2009 - Present	Director  Executive Director of AEC Business Department	AppliCAD Public Company Limited  AppliCAD Public Company Limited	Distribution of complete design solutions  Distribution of complete design solutions
Miss Thitiporn Chartaisong Director and Chief Financial Officer  (Authorized Director)	54	Bachelor of Accountancy (Accounting and Finance), Ramkhamhaeng University  Directors Accreditation Program (DAP), Class SET/2012  Company Secretary Program (CSP), Class 48/2012  Driving Company Success with IT Governance (ITG), Class 1/2016  Training of Internal Audit, Class 2 from Federation of Accounting Professions	0.75	-	2012 - Present  2019 - Present  2009 - 2019  2013 - Present  2011 - Present	Director  Chief Financial Officer  Executive Director of Central Administration Department  Director  Director	AppliCAD Public Company Limited  AppliCAD Public Company Limited  AppliCAD Public Company Limited  DETI Company Limited  Ribbit Prototype Company Limited	Distribution of complete design solutions  Distribution of complete design solutions  Distribution of complete design solutions  Software training center  Prototype Production
Ms. Siriporn Tangadulrat	61	Master's Degree Faculty of Applied Statistics (Computer Science), National Institute of Development Administration  Bachelor of Science (Nursing), Mahidol University	0.71	-	2022 - Present	Director	AppliCAD Public Company Limited	Distribution of complete design software

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years				
					Period	Position	Company	Business type	
Mrs. Bangkot Rungkompaisam	60	Master of Business Administration Chulalongkorn University	-	-	2022 - Present	Chairperson of the Audit Committee and Independent Director and Member of Nomination and Compensation Committee	AppliCAD Public Company Limited	Distribution of complete design software	
		Bachelor's Degree Faculty of Commerce and Accountancy Chulalongkorn University							Energy business
		Directors Accreditation Program (DAP) Class 28/2004			Present	Executive Vice President of Finance and Director	NFC Public Company Limited	Fertilizer production	
		Director Certification Program (DCP) Class 147/2011			2013 – Present	Director	Technor Company Limited	Wholesale of electronic equipment and parts	
		Role of the Compensation Committee (RCC) Class 13/2011			2009 - Present	Director	Eltek Power Company Limited	Wholesale of electronic equipment and parts	
		Monitoring Fraud Risk Management (MFM) Class 8/2012			2009 - Present	Director	Warachpaisan Office Company Limited	Accounting, accounting and auditing activities, tax consulting	
		Advance Audit Committee Programs (AACP) Class 12/2012			2006 - Present	Director	Rayong Port Company Limited	Operational activities related to port facilities (except loading and unloading)	
		Monitoring the Internal Audit Function (MIA) Class 13/2012			Present	Director and Executive Vice President	SC Group Company	One-stop office management service activities	
		Monitoring the System of Internal Control and Risk Management (MIR) Class 13/2012			Present	Director	Nicote Trans Siam Company Limited	Transportation and storage management activities	
		Monitoring the Quality of Financial Reporting (MFR) Class 16/2012			Present	Director	NFCW Company Limited	Other unclassified warehouse and storage activities	
		Audit Committee Program (ACP) Class 41/2012			Present	Director	NFCT Company Limited	Other unclassified warehouse and storage activities	
		Anti-Corruption for Executive Program (ACEP) Class 13/2014						Importer and distributor of medical equipment	
		Role of the Chairman Program (RCP) Class 35/2014							
Company Secretary Program (CSP) Class 74/2016									

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Mr. Thanin Pornsiritivet Audit Committee and Independent Director	53	Bachelor of Commerce and Accountancy, Chulalongkorn University Master of Business Administration, St. Louis University, USA  Directors Certification Program (DCP), Class 243/2017	0.01	-	2022 - present	Chairperson of Nomination and Compensation Committee	AppliCAD Public Company Limited	Distribution of complete design software
					2021 – 2022	Nomination and Compensation Committee	AppliCAD Public Company Limited	Distribution of complete design software
					2012 - Present	Audit Committee and Independent Director	AppliCAD Public Company Limited	Distribution of complete design software
					2017 – Present	Director	Iconsiam Signature Company Limited	Retail
					2016 – Present	Director	Iconsiam Retails Company Limited	Advertising Media
					2015 – Present	Director	DPAC Corporation	Real Estate Development
					2011 – Present	Director	Company Limited	Construction & Construction
					2010 - Present	Director	Magnolia Quality Development Corporation Company Limited	Real Estate
					2015 – Present	Chief Financial Officer	DT Group of Companies Corporation Company Limited	Holding Company
					2016 - Present	Director	Siam Rivea Company Limited	Restaurant Business
2018 - Present	Director	The Chaopraya River Assets Holdings Company Limited	Real Estate					



Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Dr. Niti Nerngchamnong	42	<p>Doctor of Laws, Sripatum University</p> <p>Master of Laws, Assumption University in collaboration with Indiana University</p> <p>Bachelor of Laws, (Academic Excellence), Assumption University</p> <p>Director Leadership Certification Program (DLCP) Class 1/2021</p> <p>Board Nomination and Compensation Program (BNCP) Class 11/2021</p> <p>Advanced Audit Committee Program (AACP) Class 39/2021</p> <p>Role of the Chairman Program (RCP) Class 47/2021</p> <p>IT Governance and Cyber Resilience Program (ITG) Class 16/2021</p> <p>Risk Management Program for Corporate Leaders (RCL) Class 22/2021</p> <p>Successful Formulation and Execution of Strategy (SFE) Class 34/2021</p> <p>Ethical Leadership Program (ELP) Class 21/2021</p> <p>Director Certification Program (DCP) Class 300/2020</p> <p>Director Accreditation Program (DAP) Class 113/2014</p>	-	-	2022 – Present	Director	International Affairs Committee, Lawyers Council of Thailand	Law Firm
					2021 – Present	Audit Committee and Independent Director	AppliCAD Public Company Limited	Distribution of complete design software
					2015 – Present	Independent Director	Interhyde Public Company Limited	A leading manufacturer of automotive seat leather and steering wheel leather
					Present	Director	Modernform Health and Care Public Company Limited	Distributor of complete furniture including both office furniture
					Present	Director	Thai Institute of Association Chartered Institute of Arbitrators “CIArb”	Arbitration Institution
					Present	Arbitral Tribunal	Thailand Arbitration Center (THAC)	Arbitration Institution

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Mr. Jeerawat Kulsapudom Audit Committee and Independent Director	52	Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi  Master of Business Administration, Kasetsart University  Directors Accreditation Program (DAP), Class 151/2018	0.02	-	2021 - Present  2012 - 2021  2017 - Present 2002 - 2017	CGO & Member of Executive Committee  Audit Committee and Independent Director  Head of Ecosystem Audience Evangelism Manager	AppliCAD Public Company Limited  AppliCAD Public Company Limited  Siri Ventures Company Limited  Microsoft (Thailand) Company Limited	Distribution of complete design software  Distribution of complete design software  Corporate Venture Capital  Software & Information Technology
Mr. Thussanai Paisiriyaunyong Executive Director	54	Bachelor of Engineering (Manufacturing Engineering), King Mongkut's University of Technology North Bangkok	-	-	2018 - 2021  2011 - Present	Executive Director  Director and General Manager	AppliCAD Public Company Limited  Ribbit Prototype Company Limited	Distribution of complete design software  Prototype Production
Mr. Kirkrit Jearnkamonchuen Director of MEC business And Director of 3D Printer Solution business	43	Bachelor of Engineering Program in Production Engineering, King Mongkut's University of Technology Thonburi	0.0001	-	2015 - Present  2012 - 2015	Director of MEC business and Director of 3D Printer Solution business  Deputy Director of MEC business	AppliCAD Public Company Limited  AppliCAD Public Company Limited	Distribution of complete design software  Distribution of complete design software
Mr. Chayo Petcharat Director of Research and Development	45	Bachelor of Engineering Program in Industrial Engineering, Rajamangala University of Technology  Master of Business Administration in Marketing, Ramkhamhaeng University	0.08	-	2014 - Present	Director of Research and Development	AppliCAD Public Company Limited	Distribution of complete design software
Mrs. Khwanchai Viriyasumon Accounting Manager	47	Bachelor of Business Administration, Accountancy, Ramkhamhaeng University	0.0004	-	2013 - Present	Accounting Manager	AppliCAD Public Company Limited	Distribution of complete design software
Miss Phiemzetha Zibhunyarut Accounting Manager	41	Bachelor of Business Administration, Accountancy, Suan Dusit University	0.01	-	2013 - Present	Accounting Manager	AppliCAD Public Company Limited	Distribution of complete design software

## Attachment 2 Information of Subsidiaries' Directors

Name – Last name	DETI Co.,Ltd.	Rabbit Prototype Co., Ltd.	PT Indonesia AppliCAD
1. Mr. Prapas Tangadulrat			/, AD
2. Miss Thitiporn Chartaisong	/, AD	/, AD	
3. Dr. Isra Akrapitak	/, AD	/, AD	/, AD
4. Mr. Thussanai Paisiriyaunyong		/, AD	
5. Mr. Ibnu Afi Sena			/, AD, MD
6. Mr. Somsak Worraraksa	/, AD		

Remark: / = Director      AD = Authorized Director      MD = Managing Director

**Attachment 3 Information of Head of Internal Auditor and Supervisor to supervise the operations of the Company and subsidiaries**

Topic	Details												
Internal Auditor	P&L Internal Audit Co.,Ltd.												
Head of Internal Auditor	Mr. Thanabhat Wongwit Position: Assistant Vice President												
Education Level	Master's Degree in Corporate Governance (MSCG), Faculty of Commerce and Accountancy Chulalongkorn University Bachelor's Degree Program in Accounting, Faculty of Accountancy, Dhurakij Pundit University												
Working Experience	<table border="0"> <tr> <td>2015 - Present</td> <td>Assistant Vice President</td> <td>P&amp;L Internal Audit Co.,Ltd.</td> </tr> <tr> <td>2013 - 2014</td> <td>Internal Audit Manager</td> <td>P&amp;L Internal Audit Co.,Ltd.</td> </tr> <tr> <td>2011 - 2012</td> <td>Senior Internal Audit</td> <td>P&amp;L Internal Audit Co.,Ltd.</td> </tr> <tr> <td>2009 - 2010</td> <td>Internal Audit</td> <td>P&amp;L Internal Audit Co.,Ltd.</td> </tr> </table> <p><u>Types of businesses that have been audited</u></p> <ul style="list-style-type: none"> <li>- Transportation Business</li> <li>- Food &amp; Non-Food</li> <li>- The business bought and sold it.</li> <li>- Hospital Business</li> <li>- Rental Space Management Business</li> <li>- Amusement Park Business</li> <li>- Debt Tracking Business</li> <li>- Restaurant Business</li> <li>- Fashion Business</li> <li>- Educational Institutions</li> </ul>	2015 - Present	Assistant Vice President	P&L Internal Audit Co.,Ltd.	2013 - 2014	Internal Audit Manager	P&L Internal Audit Co.,Ltd.	2011 - 2012	Senior Internal Audit	P&L Internal Audit Co.,Ltd.	2009 - 2010	Internal Audit	P&L Internal Audit Co.,Ltd.
2015 - Present	Assistant Vice President	P&L Internal Audit Co.,Ltd.											
2013 - 2014	Internal Audit Manager	P&L Internal Audit Co.,Ltd.											
2011 - 2012	Senior Internal Audit	P&L Internal Audit Co.,Ltd.											
2009 - 2010	Internal Audit	P&L Internal Audit Co.,Ltd.											
Related Training	<ul style="list-style-type: none"> <li>- International Conference Internal Audit Student Exchange 2021 – IIA</li> <li>- The Working Paper for Better Corruption Prevention course raises the level of working paper. Anti-Corruption Review Specialist, Thai Institute of Directors (IOD)</li> <li>- "Internal Audit Preparation to Become a Former International Authorized Internal Auditor of CIA, Class 27 " Chulalongkorn University</li> <li>- Use Excel for data analysis, Accounting Professional Association</li> <li>- CAC SME Executive Briefing Part Corruption, Thai Institute of Directors (IOD)</li> <li>- Integrated Audit 1/2018, Accounting Professional Association</li> <li>- Working Paper for better corruption prevention, Thai Institute of Directors (IOD)</li> <li>-Thailand 4.0 Era Internal Control, Thai Institute of Directors (IOD)</li> <li>- IPO focus "effective internal control for successful IPO", Thai Institute of Directors (IOD)</li> <li>- Internal Auditors of Thailand (CPIAT) Class 21, The Institute of Internal Auditors of Thailand (NIA)</li> </ul>												

Responsibilities	<ul style="list-style-type: none"><li>- Prepare an annual audit plan to consider, propose and seek approval from the Audit Committee.</li><li>- Review the audit program of each subject that is examined according to the annual audit plan.</li><li>- Plan and organize a planned inspection team</li><li>- Assess the adequacy, reliability and accuracy of the Company's internal control system in accordance with the COSO principles.</li><li>- Review the audit report and follow up on the recommendations.</li><li>- Prepare audit report for management and audit committee</li></ul>
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## Attachment 4 Assets used for business operations

### Details of assets used for business operations

As at 31 December 2022, the Company and its subsidiaries have the assets used for business operations as follows;

Type and details of assets	Ownership	Obligation As at 31 December 2022	Net Book Value (Million baht)
Land - the headquarters of the Company Deed No. 248953, Phra Khanong, Bangkok The total area of 364 square meters (91 square Wa)	Possessed	-	9.94
Land - the headquarters of the Company Deed No. 223940, Phra Khanong, Bangkok The total area of 412 square meters (1 Ngan and 3 square Wa)	Possessed	During the process with Commercial Bank	9.97
Building and building improvements	Possessed	-	40.36
Office equipment	Possessed	-	9.50
Equipment	Possessed	-	33.10
Vehicles	Possessed	-	4.08
<b>Total</b>			<b>106.95</b>

### Distributor Agreement of the Company

Parties	: Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 24 November 2022
Objective	: The Company has the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Thailand and Myanmar as well as the rights of branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).
Period	: From 24 November 2022 to 31 December 2022 If the Licensor and Licensee do not notify the termination of the contract at least 2 months in advance, the contract is automatically renewed at a time for a year However, as of 1 January 2023, the Company has been renewed for additional rights until 31 December 2023.
Conditions for Termination	: 1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.

2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.
3. The Licensee is protected, liquidated or bankrupted.
4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.

The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.

Parties	:	Graphisoft Asia Limited as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	18 October 2021
Objective	:	The Company has the right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Thailand as well as the rights of documentation, branding and marketing.
Period	:	3 years; from 19 July 2021 to 18 July 2024 If the Licensor and Licensee do not notify the termination of the contract at least 1 month in advance, the contract is automatically renewed at a time for a year but not over two years However, as of 19 July 2024, the Company has been renewed for additional rights until 18 July 2026.
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.</li> <li>2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for the second consecutive quarter. Unless the purchases of their target are from a result of the overall economy.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. A change in control of the affairs of the Licensee.</li> </ol>

Parties	:	Gstarsoft Co., Ltd. as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	1 November 2021
Objective	:	The Company has the right to distribute GstarCAD as Exclusive in Thailand and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.
Period	:	3 years; from 1 November 2021 to 31 October 2024
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.</li> </ol>

2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.

Parties	:	Stratasys AP Limited as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	1 April 2021
Objective	:	The Company and its subsidiaries have the right to be the distributor of 3D Printer under Strstasys as Non-Exclusive in Thailand and Indonesia.
Period	:	2 year-term from 1 January 2021to 31 March 2023
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. Either party may terminate the contract by informing the other party 30 days in advance.</li> <li>2. The Licensor may terminate the contract by written notice to the Licensee. In the event that Licensee breaches any of the terms of the contract and the inability to resolve such an event within at least 10 days from the date of receiving the notice.</li> </ol>

Parties	:	GOM GmbH. as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	1 October 2020
Objective	:	The Company has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Thailand.
Period	:	2 years from 1 October 2020 to 30 September 2022 If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year at a time.
Conditions for Termination	:	<p>The Licensee may terminate the contract if the following occurs;</p> <ol style="list-style-type: none"> <li>1. A change in control of the affairs of the Licensee having the negative impact on the business.</li> <li>2. Breaches any of the terms of the contract especially violation of payment term.</li> <li>3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.</li> </ol>

#### Distributor Agreement of PT. Indonesia AppliCAD

Parties	:	Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor” PT Indonesia AppliCAD as “Licensee”
Date of contract	:	1 February 2020
Objective	:	PT Indonesia AppliCAD the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Indonesia as postal code specified in the contract as well as the rights of branding and



marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).

- Period : 1 year from 1 February 2020 to 31 December 2021
- If either party does not inform the termination of this contract at least 60 days in advance, the contract will be automatically renewed for 1 year at a time.
- However, as of 1 January 2022, the Company has been renewed for additional rights until 31 December 2022.
- Conditions for Termination : 1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.
2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.
3. The Licensee is protected, liquidated or bankrupted.
4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.
- The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.

**Parties : Graphisoft Asia Limited as "Licensor"**  
**PT Indonesia Applicad as "Licensee"**

- Date of contract : 18 July 2021
- Objective : PT Indonesia Applicad has to right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Indonesia as well as the rights of documentation, branding and marketing.
- Period : 3 years; from 19 July 2021 to 18 July 2024
- If the Licensor and Licensee do not notify the termination of the contract at least 1 month in advance, the contract is automatically renewed at a time for a year but not over two years
- However, as of 19 July 2024, the Company has been renewed for additional rights until 18 July 2026.
- Conditions for Termination : 1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.
2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for two consecutive quarters. Unless the purchases of their target are from a result of the overall economy.
3. The Licensee is protected, liquidated or bankrupted.
4. A change in control of the affairs of the Licensee.

Parties	:	Gstarsoft Co., Ltd. as “Licensor” PT Indonesia Applicad as “Licensee”
Date of contract	:	1 August 2021
Objective	:	PT Indonesia Applicad has the right to distribute GstarCAD as Exclusive in Indonesia and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.
Period	:	3 years from 1 August 2021 to 31 July 2024
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.</li> <li>2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.</li> </ol>

Parties	:	GOM GmbH. as “Licensor” PT Indonesia Applicad as “Licensee”
Date of contract	:	1 October 2020
Objective	:	PT Indonesia Applicad has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Indonesia.
Period	:	2 years from 1 October 2020 to 30 September 2022 If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year.
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. A change in control of the affairs of the Licensee having the negative impact on the business.</li> <li>2. Breaches any of the terms of the contract especially violation of payment term.</li> <li>3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.</li> </ol>

## Attachment 5 Full version of the policy and guidelines for corporate governance and Code of Conduct

The Company has disclosed the full version of the good corporate governance policy and guidelines. and the full version of the Code of Conduct on the Company's website

- Good Corporate Governance Policy; <https://www.applicadthai.com/corporate-governance/>
- Code of Conduct; <https://www.applicadthai.com/corporate-governance/>

## Attachment 6 Report of Audit Committee

### To Shareholders

According to the resolution of the Board of Directors of AppliCAD Public Company Limited (“Company”) No. 4/2022 on August 9, 2022, the Audit Committee comprises of three Independent Directors who are expert in financial accounting, law and business. All audit committees are qualified as defined in the regulations of the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, namely Mrs. Bongkot Rungpornpaisan, Mr. Thanin Pornsithivej and Dr. Niti Nerngchamnonng. The Audit Committee has been appointed by the Board of Directors' meeting to operate to a certain extent, duties and responsibilities as specified in the Charter of the Audit Committee, which is reviewed at least once a year and complies with the best practices of the Audit Committee, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2022, the Audit Committee held 4 meetings with 100% of attendance from all Audit Committee members, to discussion with management, internal auditors, auditors and also present to the Board of Directors for regular sessions. The Audit Committee has performed the duties which are summarized as follows:

#### **1. Review of Financial Reports**

The Audit Committee has reviewed quarterly and annually the Financial Statements for the year 2022 of the Company with the Management and External Auditor by discussing with the External Auditor on the accuracy and completeness of financial information and such Financial Statements, significant adjustment which affected to the Financial Statements and Key Audit Matters in the Audit Report. The Audit Committee concluded that such Financial Statements, including the disclosure of information in the notes to the Financial Statements of the Company has been conducted accurately, completely, timely and reliably in accordance with Financial Reporting Standards to benefit users of such Financial Statements. The auditor has reported with an unconditional opinion and the result of the control assessment are appropriate, concealment was not found and was able to work independently. In addition, the Audit Committee has arranged one meeting with the Auditor without the Company's management to determine the scope and inquire about the risks of irregular transactions that may or may occur during the audit.

#### **2. Review of Related transactions or transactions that may lead to conflicts of interest**

The Audit Committee has considered the disclosure of the Company's information in the event of related transactions or transactions that may lead to conflicts of interest by adhering to the principles of fairness, normal business, transparency, adequate information disclosure as done to the general public and concluded that the disclosure of the Company's information is sufficient and in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

#### **3. Review of Risk Management**

The Audit Committee reviewed the company's risk management in 2022, taking into account the post-COVID-19 economic situation and the impact of currency fluctuations. The Audit Committee has reviewed the management of potential economic risks such as financial liquidity, accounts receivable

management and payment collection asset impairment assessment, etc., as well as regularly considering and reviewing the suitability and efficiency of the risk management process. along with giving suggestions to improve the management process appropriately

#### **4. Review of Internal Control**

The Audit Committee has reviewed the adequacy of the Company's internal control system in conjunction with the independent internal audit and management by having internal audit reports directly to the Audit Committee and to monitor the revised work according to the recommendations in the audit report and comments of the Audit Committee continuously, as well as to revise the internal control system in accordance with the changing situation. The Audit Committee has concluded that the Company has an adequate and effective internal control system in accordance with the Principles of Good Internal Control of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

#### **5. Review of Good Corporate Governance**

The Audit Committee has reviewed the Code of Conduct in order to ensure systematic good Corporate Governance and regularly review whistleblowing policies and procedures to report complaints for non-compliance with securities laws and laws relating to the Company's business operations, as well as tracking changes in regulations to ensure that the Company strictly complies with the regulations in order to ensure transparency and ethics, ensuring confidence among all stakeholders.

#### **6. Consider the appointment of auditors and audit fees**

The Audit Committee has considered the selection of auditors by considering their readiness, scope of service, independence and appropriateness of the audit fee rates and has provided opinions to the Board of Directors to be presented to the Annual General Meeting of Shareholders for the year 2023 by considering the appointment of auditors from Karin Audit Co., Ltd. with a list of names announced through the system of the Stock Exchange of Thailand to be the Company's auditors for the year 2023. Such auditors are auditors according to the list of auditors approved by the Securities and Exchange Commission.

In summary, the Audit Committee believes that the Company's Financial Report has been prepared in accordance with the Financial Reporting Standards, the related transactions have been made in accordance with the principles of arm's length with normal business conditions, transparency, adequate disclosure of information, as done with other third parties and Risk management and internal control systems are adequate and efficient, and relevant regulations are fully complied.



Mrs. Bongkot Rungkornpaisan  
Chairman of Audit Committees

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# 'WHERE INNOVATION BEGINS.

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