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21st November 2019

Subject Management Discussion and Analysis for the nine-month period
ended 30th September 2019

To The President
The Stock Exchange of Thailand

AppliCAD Public Company Limited and its subsidiaries (“the Company”) would like to submit our management discussion and analysis for the third quarter and nine-month period ended 30th September 2019 comparing with the performance of the same period in 2018 as follows;

Revenue from Sales and Services

From the first nine-month period of 2019, the Company has the total income as 569.30 million baht increased by 4.19% from the same period of the previous year. It could be classified as the revenue from sales as 349.89 million baht decreased by 4.25% from the same period of the previous year, mainly due to the recession of the industrial production especially the production for export which has been affected by the world economic recession and the trade protectionism, as well as the recession of the construction sector and real estate in the country. In addition, the revenue from services could be calculated as 213.08 million baht increased by 22.05% from the same period of the previous year. The Company has the active contract of SolidWorks’ Subscription Service of 3,101 contracts increased from the same period of the previous year which is 2,920 contracts.

Costs and Expenses

From the first nine-month period of 2019, the Company has the total cost of software as 119.91 million baht which is the gross profit margin as 43.66% decreased due to the increased cost of some software and the cost of 3D designing products sold as 89.09 million baht. It could be calculated as 34.99% of gross profit margin decreased due to the sales list of the 3D printer, mainly sold to the customers as the business partners which will have the lower gross profit margin of the sales to general customers. In addition, the Company has the cost of services as 89.97 million baht or 57.77% of the gross profit margin. It is similar to the gross profit margin of 2018 which affects to the cost of sales and services of the Company as 298.98 million baht or 46.89% of the gross profit margin. Moreover, the Company has the cost of distribution as 127.68 million baht and the administrative expense as 79.67 million baht which is affected to the net profit of the Company as 49.59 million baht or 8.71%.



Statement of financial position

As at 30th September 2019, the Company has the total assets of 434.88 million baht consisting of the cash and cash equivalents as 147.59 million baht, the account receivables and other receivables as 157.62 million baht, the inventory as 26.54 million baht and the property, plant and equipment as 87.02 million baht.

The total assets are increased by 55.48 million baht or 14.62% comparing to the total assets as at 31st December 2018. The increase consists of the cash and cash equivalents as 32.51 million baht or 28.25%, the account receivables and other receivables as 10.02 million baht or 6.80% and the property, plant and equipment for investment as 11.52 million baht or 15.26%.

The total liabilities are 301.81 million baht increased by 15.27 million baht or 5.33%. Most liabilities are the account payables and other payables and the deferred income which are the current liabilities occurred from the operation of the Company. Moreover, the Company also has the account payables and other current payables decreased by 13.20 million baht or 14%, the deferred income from the Subscription Service increased by 21.05 million baht or 12.72%, the non-current liabilities increased by 10.59 million baht or 54.25% which are the legal changes in the estimation of employee benefits.

The shareholders' equity as at 30th September 2019 are 133.06 million baht which is calculated as the ratio to the total assets as 30.60%. It consists of the increase of shareholders as 40.21 million baht when comparing to the information as at 31st December 2018 which occurs from the retained earnings increased from the comprehensive income in the first nine-month period of 2019 as 92.86 million baht of the shareholders' equity which is calculated as the ratio to the total assets as 24.48%.

Cash flow statement

From the nine-month period as at 30th September 2019, the Company has the net cash flow derived from the operation activities as 59.80 million baht, the cash flow used in the investment activities as 19.95 million baht, mainly used for purchasing the property, plant and equipment as 23.64 million baht and the cash flow from the sales of the property, plant and equipment as 3.77 million baht, the cash flow used in financing activities as 8.38 million baht, used in the capital increase as 17.20 million baht and used in the dividend as 24.84 million baht which makes the cash and cash equivalents as at 30th September 2019 is 147.59 million baht.

Yours sincerely,

(Miss Thitiporn Chartaisong)

Executive Director

Central Administration Department