

No. APP CA200202

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21 February 2020

Subject: Management Discussion and Analysis for the year 2019 ended 31

December 2019

To: The President

The Stock Exchange of Thailand

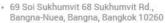
AppliCAD Public Company Limited and its subsidiaries ('the Company") would like to submit our management discussion and analysis for the year 2019 ended 31 December 2019 comparing with the performance of the same period in 2018 according to the regulation of the Stock Exchange of Thailand as follows;

Revenue from Sales and Services

For the year 2019, the Company has the total income as 734.97 million baht decreased by 0.54% from the same period of the previous year which could be classified as the revenue from sales as 441.68 million baht decreased by 7.57% 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 is 285.30 million baht increased by 13.58% from the same period of the previous year. In 2019, the Company has the active contract of SolidWorks' Subscription Service of 3,121 contracts increased from the same period of the previous year which was 3,073 contracts.

Costs and Expenses

For the year 2019, the Company has the cost of sales of software as 156.86 million baht which is the gross profit margin as 45.42% decreased due to the increase cost of some software and the cost of sales of 3D designing products as 102.48 million baht. It could be calculated as 33.58% of gross profit margin decreased due to the sales list of the 3D printer in 2019, mainly sold to the business partners which will have the lower gross profit margin of



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บริษัท แอพพลิแคด จำกัด (มหาชน) AppliCAD Public Company Limited

> the sales to general customers. In addition, the Company has the cost of services as 120.95 million baht or 57.60% of the gross profit margin which is similar to the gross profit margin of 2018. As a result, the Company has the cost of sales and services as 380.30 million baht or 47.69% of the gross profit margin. Moreover, the Company has the cost of distribution as 176.31 million baht and the administrative expense as 106.17 million baht which is resulted to the net profit of the Company as 57.63 million baht or 7.84%.

Statement of financial position

As at 31 December 2019, the Company has the total assets of 615.45 million baht consisting of the cash and cash equivalents as 353.67.59 million baht, the account receivables and other receivables as 65.98 million baht, the inventory as 23.54 million baht and the property, plant and equipment as 89.64 million baht.

The total assets are increased by 236.06 million baht or 62.22% comparing to the total assets as at 31 December 2018 due to the increase of the cash and cash equivalents as 238.59 million baht or 207.33%, the decrease of the account receivables and other receivables as 18.81 million baht or 22.18% and the property, plant and equipment for investment as 14.14 million baht or 18.72%.

The total liabilities are 292.02 million baht increased by 5.48 million baht or 1.91%. 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 15.65 million baht or 16.61%, the deferred income from the Subscription Service increased by 9.90 million baht or 5.98%, the non-current liabilities increased by 16.94 million baht or 85.82% which are from the legal changes in the estimation of employee benefits.

The shareholders' equity of the Company as at 31 December 2019 are 323.43 million baht calculated to the ratio to the total assets as 52.55% which is increased as the shareholders' equity as 230.57 million baht from the fund-raising of 196.80 million baht and the increase of retained earnings from the comprehensive income in 2019 when comparing to the information as at 31 December 2018. The shareholders' equity is 92.86 million baht calculated to the ratio of the total assets as 24.48%.





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Cash flow statement

From the year 2019 ended 31 December 2019, the Company has the net cash flow derived from the operation activities as 86.38 million baht, the cash flow used in the investment activities as 26.59 million baht, mainly used for purchasing the property, plant and equipment as 29.69 million baht and the cash from the sales of the property, plant and equipment as 3.78 million baht, the cash flow used in financing activities as 178.35 million baht which are the issuing new shares for the existing shareholders in March 2019 as 17.20 million baht and the initial public offering as 196.80 million baht in November 2019 and the dividend payment as 24.84 million baht which makes the cash and cash equivalents as at 31 December 2019 is 353.67 million baht.

Yours sincerely,

(Miss Thitiporn Chartaisong) **Executive Director** Central Administration Department