

No. APP_CA200501

AppliCAD Public Company Limited

13 May 2020

Subject: Management Discussion and Analysis for the First Quarter ended 31 March 2020

**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 first quarter ended 31 March 2020 comparing with the performance of the same period of the first quarter of 2019 according to the regulation of the Stock Exchange of Thailand as follows;

Revenue from Sales and Services

For the first quarter of 2020, the Company has the total income as 164.92 million baht decreased by 8.76% from the same period of the previous year which could be classified as the revenue from sales as 90.96 million baht decreased by 12.96% 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 70.04 million baht decreased by 3.14% from the same period of the previous year. In the first quarter of 2020, since the Company’s income from production decreased by 5 million baht, meanwhile, the revenue from subscription service contracts increased by 29.33% and the Company has the active contract of SOLIDWORKS’ Subscription Service of 3,203 contracts increased from the same period of the previous year which was 3,128 contracts.

Costs and Expenses

For the first quarter of 2020, the Company has the cost of sales of software as 38.67 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 10.08 million baht. It could be calculated as 38.42% of gross profit margin. For the first quarter of 2020, most of them are sold to general customers. In addition, the Company has the cost of services as 32.06 million baht or 54.23% of the gross profit margin which is similar to the gross profit margin of 2019. As a result, the Company has the cost of sales and services as 80.55 million baht or 49.97% of the gross profit margin. Moreover, in the first quarter of 2020, the Company has the cost of distribution as 43.51 million baht and the administrative expense as 26.61 million baht which is resulted to the net profit of the Company of the first quarter of 2020 as 10.72 million baht or 6.50%.



Statement of financial position

As at 31 March 2020, the Company has the total assets of 639.05 million baht consisting of the cash and cash equivalents as 342.20 million baht, the account receivables and other receivables as 89.27 million baht, the inventory as 24.18 million baht and the property, plant and equipment as 90.33 million baht.

The total assets increased by 23.60 million baht or 3.84% comparing to the total assets as at 31 December 2019 due to the decrease of the cash and cash equivalents as 11.47 million baht or 3.24%, the increase of the account receivables and other receivables as 23.29 million baht or 35.30% and the increase of property, plant and equipment for investment as 0.69 million baht or 0.77%.

The total liabilities are 264.89 million baht increased by 9.54 million baht or 3.74%. 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 increased by 2.48 million baht or 3.15%, the deferred income from the Subscription Service increased by 2.55 million baht or 1.45%, the non-current liabilities increased by 3.53 million baht or 9.62% occurred from the changes in accounting policies arising from the application of Financial Reporting Standard No.16 on Leasing Contracts of the Company for the first time since 1 January 2020.

The shareholders' equity of the Company as at 31 March 2020 are 333.98 million baht, equivalent to 52.26% of total assets, with shareholders' equity increasing by 10.54 million baht. It is increased due to the operating results of the Company in the amount of 10.54 million baht and when comparing to the information as at 31 December 2019, the shareholders' equity is 323.43 million baht, equivalent to 24.48% of the total assets.

Cash flow statement

For the first quarter of 2020 ended 31 March 2020, the Company has the net cash flow (used in) operating activities as 6.42 million baht, the cash flow (used in) investment activities as 4.01 million baht, mainly used in the investment for purchasing the property, plant and equipment as 4.94 million baht and the cash from the sales of the property, plant and equipment as 0.63 million baht, the cash flow (used in) financing activities as 0.87 million baht and when comparing to the same period of the previous year, the issuing new shares for the existing shareholders as 17.20 million baht and the dividend payment as 24.84 million baht which makes the cash and cash equivalents as at 31 December 2019 is 342.20 million baht.

Yours sincerely,

(Miss Thitiporn Chartaisong)

Chief Financial Officer

AppliCAD Public Company Limited



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