



No. APP\_AF220503

AppliCAD Public Company Limited

13 May 2022

Subject: Management Discussion and Analysis of the first quarter ended as of 31 March 2022  
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 of the first quarter ended as of 31 March 2022 comparing with the performance of the same period the first quarter in 2021 according to the regulation of the Stock Exchange of Thailand as follows;

#### Revenue from Sale and Service

Unit: Thousand baht

	1Q2021	4Q2021	1Q2022	% Increase (Decrease)	
				YOY	QOQ
Revenue from software sale	65,878	56,840	72,771	10.46%	28.03%
Revenue from hardware sale	22,668	82,472	45,165	99.25%	-45.24%
Revenue from service	76,940	87,862	88,415	14.91%	0.63%
Other income	4,690	4,964	4,780	1.92%	-3.71%
Total	170,176	232,138	211,131	24.07%	-9.05%
Gross profit	76,665	99,361	86,095	12.30%	-13.35%
Gross profit Margin	46.33%	43.74%	41.72%	-9.94%	-4.61%

For the first quarter of 2022, the Company had the total revenue as 211.13 million baht decreased by 9.05% while the revenue from software sale was 72.77 million baht increased by 28.03%, the revenue from hardware sale was 45.17 million baht decreased by 45.24%, the revenue from service was 88.42 million baht increased by 0.63% and other incomes were 4.78 million baht decreased by 3.71%. In comparison to the previous quarter there is now a sales model 3,202 contracts for 2D program sales, representing a 39.89% increase over 3,580 contracts for traditional service contracts. The gross profit margin decreases 4.61%.



In comparison to the first quarter of 2021, the Company group overall increased by 24.07%, with revenue from software sales increasing by 10.46% and selling software to new industrial customers increasing by 99.25%. The company sells 3D printers and related products to educational institutions and government agencies. the Company group contributed to a 14.91% increase in service revenue. The leasehold sales model falls under the category of software over time revenue recognition. Other income increased by 1.92% due to sales of software and services fulfilled by partners, according to Financial Reporting Standard No. 15

## Cost and Expense

Unit: Thousand baht

	1Q2021	4Q2021	1Q2022	% Increase (Decrease)	
				YOY	QOQ
Cost of software sale	37,920	37,628	42,250	11.42%	12.28%
Cost of hardware sale	15,312	49,718	31,733	107.25%	-36.17%
Cost of service	35,589	40,466	46,273	30.02%	14.35%
Total	88,821	127,813	120,256	35.39%	-5.91%
Cost of distribution	41,415	46,668	49,940	20.58%	7.01%
Administrative expense	22,855	27,884	27,428	20.01%	-1.64%
Financial cost	89	68	108	21.35%	58.82%
Corporate tax	4,890	10,844	2,974	-39.18%	-72.57%
Total	69,249	85,464	80,450	16.17%	-5.87%
Net profit	12,106	18,861	10,425	-13.89%	-44.73%
Net profit margin	7.11%	8.12%	4.94%	-30.52%	-39.16%
Earnings per share (baht)	0.04	0.07	0.04	0%	-42.86%



The cost of software sales in the first quarter of 2022 was 42.25 million baht, with a gross profit margin of 41.94% and cost of hardware sales was 31.73 million baht, with a gross profit margin of 29.74 percent. Additionally, the Company group cost of service was 46.27 million baht, resulting in a gross profit margin of 47.66%.

In comparison to the previous quarter of 2021, the Company group cost of software sales was 37.92 million baht representing a gross profit margin a rate of 42.44% is have comparable rate. The cost of hardware sales was 15.31 million baht, with a gross profit margin of 32.45%, a drop due to the sale of printers, 3D items, and accessories to educational institutions and government agencies. Service costs totaled 35.59 million baht with a gross profit margin of 53.74%. because a collection of enterprises makes money by providing services to a large number of clients in a competitive market as a result, the Company group has grown significantly. The gross profit margin dropped by 9.94%.

In comparison to the previous quarter of 2021, the Company group cost of distribution increase as 20.58% because the Company group due to commissions and depreciation of 3D printers and items. So, the Company group the government's attempts to heal and reduce the impact of the corona virus epidemic are still in effect. Species of Omicron including the employer's temporary cessation of contributions to the provident fund administrative costs increased by 20.01%. at the management level, from employee and personnel development expenses and the difference from the new actuarial employee benefit calculation as a result, the Group's net profit decrease 13.89 percent to 10.43 million baht.

#### **Statement of financial position (Balance Sheet)**

As at 31 March 2022, the Company had the total assets of 793.11 million baht, consisting of the cash and cash equivalents as 339.97 million baht, trade and other current receivables as 127.44 million baht, assets arising from contract - current as 91.63 million baht, Inventory as 54.38 million baht and property plant and equipment as 102.94 million baht, other intangible assets as 18.51 million baht, deferred tax assets as 12.12 million baht and other non-current assets as 1.43 million baht.

Total assets increased by 60.19 million baht or 8.21% in comparing as at 31 December 2021, Trade and other receivables increase as 43.21 million baht or 51.30% because of the resulting from increased sales, the increase of assets arising from contract - current as 4.36 million baht or 4.99% because of the increase of the yearly leased sales model for 2D software, the increase of Inventory as 7.55 million baht or 16.11% due to the products awaiting for delivery, the increase of assets arising from other contract non-current and the contract cost asset as 3.02 million baht or 430.34% and arising from the payment of deposits for printers and 3D products Other contract non-current assets Contract cost assets increased by 7.73 million baht or 45.28%.



The assets arising from contracts exceeding 1 year, property plant and equipment increased as 2.15 million baht or 2.13%, cost of land Improvements, right of use assets (ROU) increased as 10.27 million baht or 284.06% because of the Company had a new branch, the increase of other intangible assets as 1.67 million baht or 9.89% from the platform development to serve the customers and the intangible assets during the ERP development and the deferred tax assets decreased by 0.62 million baht or 5.38%, Other non-current assets increased by 0.40 million baht or 38.95% due to insurance payment under the new branch lease agreement.

The total liabilities 426.69 million baht, an increase of 50.98 million baht or 13.57%. Most of the liabilities consisted of trade and current payables, an increase of 8.46 million baht or 7%. Liabilities arising from contracts - current, an increase of 17.08 million baht, or 10% was due to accounts payable for subscription services, lease liabilities due within 1 year, increased by 1.74 million baht or 75.76%, lease liabilities increased 8.57 million baht or 579.38%, and provisions non-Turnover from demolition increased by 0.66 million baht due to the lease of a new branch. Annual lease payable Liabilities arising from other non-current contracts increased by 11.64 million baht or 39.14% due to liabilities arising from contracts - non-current that exceeded 1 year, non-current liabilities from employee benefits increased by 3.58 million baht or 7.91%.

Shareholders' equity as of 31 March 2022, the Company shareholders' equity was 366.42 million baht, an increase of 9.21 million baht, representing a proportion of total assets. equal to 46.20% resulting from the operating results of the first quarter of 2022 of the Group of the Company increased by 9.24 million baht when compared to as of 31 December 2021, the shareholders' equity equal to 357.21 million baht, equivalent to a percentage of total assets 48.74.

#### Cash flow statement

(Unit: Thousand baht)

Description	1Q2021	4Q2021	1Q2022	% Increase (Decrease)	
				YOY	QOQ
Net cash flow (used in) operating activities	-10,329	80,126	-11,389	10.26%	-114.21%
Net cash flow (used in) investment activities	-4,453	-36,438	-8,390	88.41%	-76.97%
Net cash flow (used in) financing activities	-876	-45,523	-1,024	16.89%	-97.75%
Net increase (decrease) cash flow and cash equivalents	-15,395	-1,511	-20,852	35.45%	-1280.01%
Cash flow and cash equivalents at the end of the year	346,941	360,825	339,973	-2.01%	-5.78%



For the first quarter of 2022 of 31 March 2022, the Company had the net cash flow from operating activities as 11.39 million baht arising from trade receivables and current receivables increased by 47.26 million baht, other operating receivables increased by 7.73 million baht, the use in purchasing products increased by 7.96 million baht. There were trade payables and other current payables increased by 25.33 million baht, other operating trade payables increased by 11.64 million baht.

The net cash flow used in investing activities of 8.39 million baht, mostly used for investment in purchasing equipment and improvements according to the lease agreement of 6.54 million baht and invested in the development of platforms to serve customers. And intangible assets during the ERP system development of 1.85 million baht with net cash flow used in financing activities of 1.02 million baht to pay for lease liabilities of 0.92 million baht and interest expenses of 0.11 million baht, resulting in cash and cash equivalents at as 31 March 2022, it is equal to 339.97 million baht.

Yours sincerely,

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