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AppliCAD Public Company Limited

4 August 2023

Subject Management Discussion and Analysis of the second quarter ended as of 30 June 2023

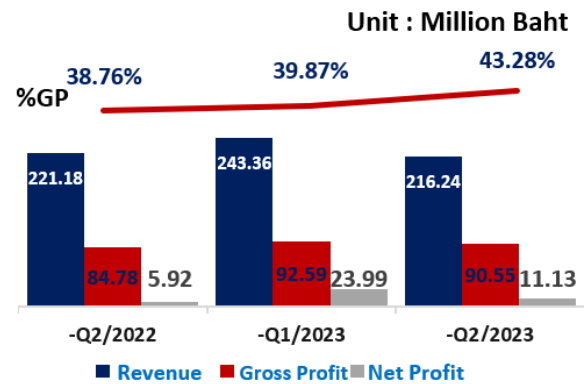
Dear The President

The Stock Exchange of Thailand

AppliCAD Public Company Limited and its subsidiaries ('the Company') would like to clarify the Company's overall operating report with reference to the consolidated financial statement as of 30 June 2023. The Company had net profit in the second quarter of 2023 amounted to 11.13 million baht, increased by 5.20 million baht compared to the same period of the previous year which was 5.92 million baht resulted from the increasing in gross profit from higher service income and other income.

Overall Operating Report

In the second quarter of 2023, the total revenue was 216.24 million baht, decreased by 4.94 million baht or 2.23% compared to the second quarter of 2022. The revenue from sales of goods was 102.25 million baht, decreased by 19.64 million baht or 16.11% and the revenue from providing services was 107 million baht, increased by 10.13 million baht or 10.45%. The other income was 6.99 million baht, increased by 4.57 million baht or 188.68% resulted from gain from sale of assets of 3.21 million baht and gain from exchange rate of 1.58 million baht



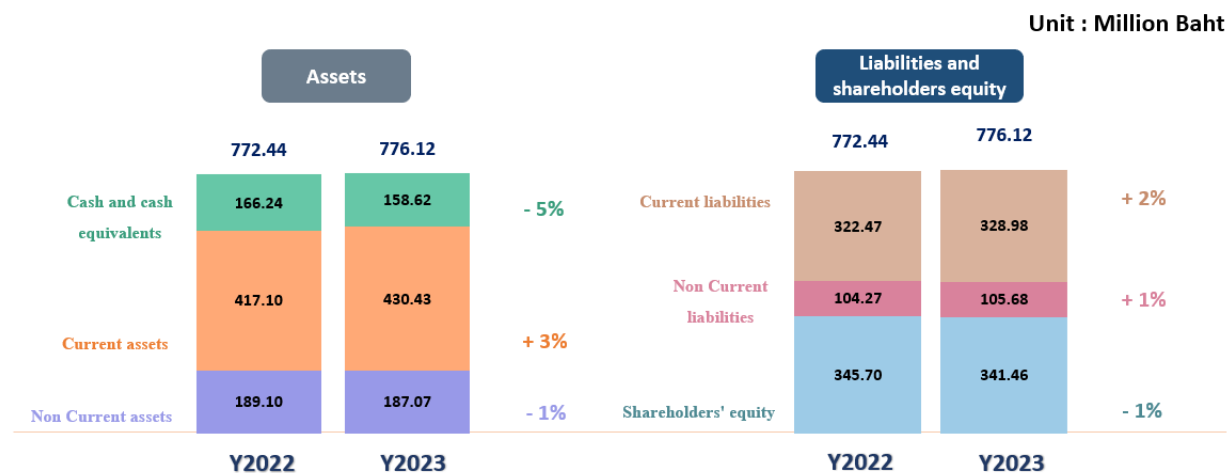
The Company's gross profit was 90.55 million baht in the second quarter of 2023, increased by 5.77 million baht or 6.81%. In addition, the second quarter gross profit margin was increased from 38.76% in 2022 to 43.28% in 2023.

In the second quarter of 2023, the cost of distribution was 49.61 million baht, decreased by 2.79 million baht or 5.33% compared to the same quarter last year. The decreased cost of distribution mainly came from the Company paid less commission fee by 3.73 million baht.



In the second quarter of 2023, the administration expenses and finance costs were 30.32 million baht, increased by 3.93 million baht or 14.88% compared to the same quarter last year. The increasing was consisting of employee allowance and training expenses of 2.16 million baht and an expense from writing off research and development costs amounting to 1.07 million baht.

Statement of financial position



Assets

As of 30 June 2023, the Company and its subsidiaries' total assets were 776.12 million baht, increased by 3.68 million baht or 0.48%. The main changes are as follows:

The Company had cash and cash equivalents as of 30 June 2023 amounting to 158.62 million baht and it showed that 7.62 million baht was decreased.

The trade receivables and other receivables were 102.04 million baht, increased by 6.20 million baht

Corporate income tax receivable of this period was decreased by 5.27 million baht because the Company reclassified it to the trade receivables and other receivables due to the Company requested for the corporate income tax refund.

Inventories were 60.71 million baht, decreased by 4.30 million baht.

The Company had net property, plant, and equipment of 105.19 million baht which were decreased by 1.76 million baht because of depreciation.

Liabilities

As of 30 June 2023, the Company had total liabilities of 434.66 million baht which were increased by 7.92 million baht or 1.86% mainly because the trade and other current payables of 125.65 million baht were

decreased by 0.05 million baht. Liabilities from contracts (current and non-current) of 238.12 million baht were increased by 4.20 million because the Company got more the service contracts with customers.

Shareholders

As of 30 June 2023, the Company shareholders' equities were 341.46 million baht, decreased by 4.24 million baht due to the Company distributed dividend for the year ended 31 December 2022, which amounted to 39.20 million baht, and generate profit from the first 6-month operation in 2023, amounting to 35.18 million baht.

Cash Flow Statement

Unit: Million Baht

	Q2-2023
Net cash flow from (used in) operating activities	41.17
Net cash flows from (used in) investment activities	(6.84)
Net cash flows from (used in) financing activities	(41.79)
Impact of exchange rate on cash and cash equivalents	(0.16)
Net increase (decrease) in cash and cash equivalents	(7.62)
Cash and cash equivalents - Beginning balance	166.24
Cash and cash equivalents - Ending balance	158.62

Cash Flow

For the second quarter period ended 30 June 2023, the Company had an decrease of the net cash flow of 7.62 million baht. The Company had cash and cash equivalents of 166.24 million baht at the beginning of the period and 158.62 million baht at the end of the period. The details of each activity are as below.

The net cash flow from operating activities of 41.17 million baht was generated from increasing in trade receivables and other receivables of 18.18 million baht, decrease inventories of 4.35 million baht, decreasing in other assets of 1.22 million baht, increasing in trade payables and other payables of 3.54 million baht, which was a result of entering into more service contracts, depreciation and write-off amount of 13.67 million baht which resulted from the purchase of machinery and office equipment, the development of intangible assets - ERP system, and the development of a platform, allowance for employee benefits of 3.67 million baht, allowance for doubtful accounts of 1.34 million baht, profit from the sale of machinery amounted to 3.19 million baht, adjustment of cash flows from investment or borrowing activities of 1.51 million baht, and interest received amounted to 1.26 million baht, and income tax expense of 9.66 million baht.

The net cash flow used in investment activities amounted to 6.84 million baht. This was generated from the sale of machinery and office equipment of 5.47 million baht, investment in medium-sized machinery of 8.26 million



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baht, investment in intangible assets (specifically, the development of ERP system and platform) of 2.78 million baht, and investment in financial assets (fixed deposits for 6 and 12 months) of 1.26 million baht.

The net cash outflow used in financing activities amounted to 41.79 million baht mainly came from dividend payments of 39.20 million baht. Additionally, 2.24 million baht was used to pay off lease obligations, and 0.35 million baht was paid for interest expenses.

Yours sincerely,

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