



No. APP\_AF670201

AppliCAD Public Company Limited

19 February 2024

Subject Management Discussion and Analysis of the year ended 31 December 2023

Dear The President

The Stock Exchange of Thailand

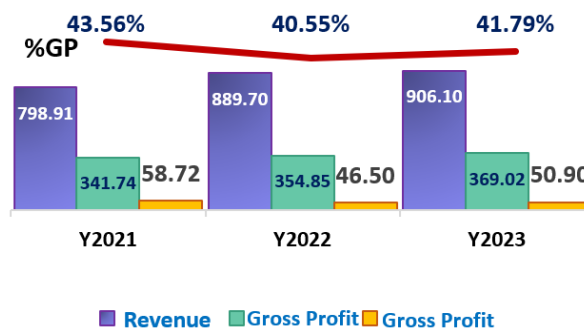
### The significant financial information

Unit : Million	Q4/2022	Q3/2023	Q4/2023	Change		Y2022	Y2023	Change YoY
				QoQ	YoY			
Sales and service income	224.18	226.45	215.18	-5%	-4%	875.17	883.12	1%
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	28.09	31.85	4.88	-85%	-83%	84.18	98.84	17%
Gross profit	18.50	20.79	-5.02	-124%	-127%	46.50	50.90	9%
<b>Gross profit per share (Baht/share)</b>	<b>0.07</b>	<b>0.07</b>	<b>(0.02)</b>	<b>-124%</b>	<b>-127%</b>	<b>0.17</b>	<b>0.18</b>	<b>9%</b>

### Overall Operating Report

Unit : Million Baht

In the 4<sup>th</sup> quarter of 2023, the total revenue was 217.59 million baht, decreased by 13.94 million baht or 6.02% compared to the 3<sup>rd</sup> quarter of 2022. The revenue from sales of goods was decreased by 6.29 million baht from decreasing in the sales of software, the revenue from providing service was 2.71 million baht from service contracts, and other revenue of the group company amounted to 4.94 million baht. This other revenue was derived from commissions from domestic customer car and profits/losses from exchange rates.



The total revenue for the year 2023 was 906.10 million baht, increased by 16.40 million baht or 1.84%. The revenue from sales of goods was decreased by 17.99 million baht or 3.86% from the sales of hardware. The revenue from providing services was increased by 25.29 million baht or 6.34% due to the increasing in the annual lease rights. The other income of the group company was increased by 8.45 million baht or 58.15% resulted from gain from exchange rate of 3.30 million baht, interest income from fixed deposit account of 1.80 million baht, gain from sale of assets of 1.04 million baht, and marketing subsidy of 2.31 million baht.

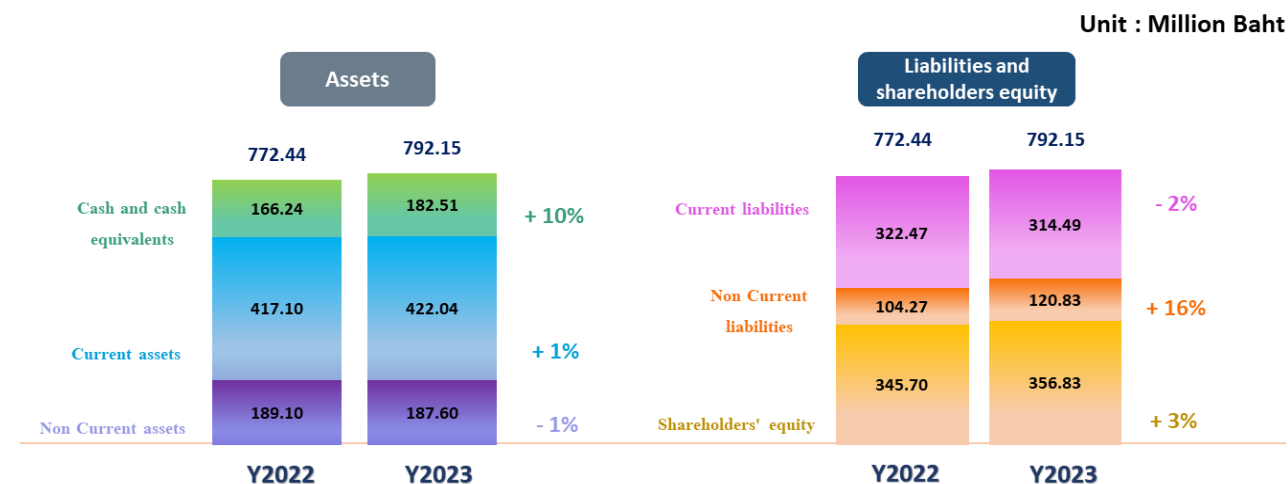
The Company's gross profit was 84.47 million baht in the 4<sup>th</sup> quarter of 2023, decreased by 12.33 million baht or 12.74% compared to the same quarter last year. In addition, the 4<sup>th</sup> quarter gross profit margin was decreased from 43.18% in 2022 to 39.26% in 2023 mainly came from the annual lease rights.

The Company's gross profit was 369.02 million bath for the year 2023, increased by 14.17 million baht or 3.99% compared to the year 2022. In addition, the gross profit margin was increased from 40.55% in 2022 to 41.79% in 2023 mainly came from the cost of products received from distributors during the sales model adjustment period.

In the year 2023, the cost of distribution was 197.66 million baht, decreased by 1.29 million baht or 0.65% compared to the last year. The decreased cost of distribution mainly came from the Company adjusted advertising and sales promotion plans.

In the year 2023, the administration expenses were 124.02 million baht, increased by 12.28 million baht or 10.90% compared to the last year. The increasing was consisting of personnel welfare and development expenses increased by 9.13 million baht, depreciation and amortization expenses increased by 3.15 million baht.

### Statement of financial position



### Assets

As of 31 December 2023, the Company and its subsidiaries' total assets were 792.15 million baht, increased by 19.71 million baht or 2.55%. The main changes are as follows:

The Company had cash and cash equivalents as of 31 December 2023 amounting to 182.51 million baht and it showed that 16.28 million baht was increased.

The trade receivables and other receivables were 112.56 million baht, increased by 18.19 million baht.

*Advance service costs less than one year* was 128.92 million baht, increased by 22 million baht due to the provision of annual rental rights.

Inventories were 47.77 million baht, decreased by 17.23 million baht from the inventory in transit.

Other current financial assets decreased by 15.31 million baht to 126.50 million baht, reflecting a reduction in fixed deposit account holdings over three and six months.

Advance service costs over one year increased by 6.79 million baht, reaching 36.34 million baht, attributable to additional costs related to customer service contracts.

Land, buildings, and equipment were 95.51 million baht decreased by 11.44 million baht, primarily due to the sales of machinery and 3D products. Additionally, the Company shifted to environmentally friendly electric cars, resulting in the sale of conventional cars.

Right-of-use assets increased by 5.08 million baht, reaching 17.18 million baht, due to the initiation of electric vehicle rental contracts, water filter rental contracts, and mobile phone signal rental and service agreements aimed at promoting employee welfare.

### **Liabilities**

As of 31 December 2023, the Company had total liabilities of 435.32 million baht which were increased by 8.58 million baht or 2.01% mainly because the trade and other current payables of 116.97 million baht were decreased by 8.72 million baht. Liabilities from contracts (current and non-current) of 240.54 million baht were increased by 6.62 million because the Company got more the annual service contracts with customers.

### **Shareholders**

As of 31 December 2023, the Company shareholders' equities were 356.83 million baht, increased by 11.13 million baht or 3.22%. This was due to the net profit from operations of the group company increasing by 11.52 million baht or 26.78%, and the impact from currency translation, decreasing by 0.56 million baht or 46.59%.



**Cash Flow Statement**

Unit: Million Baht

	Q4-2023
Net cash flow from (used in) operating activities	54.82
Net cash flows from (used in) investment activities	7.37
Net cash flows from (used in) financing activities	(45.35)
Impact of exchange rate on cash and cash equivalents	(0.57)
Net increase (decrease) in cash and cash equivalents	16.27
Cash and cash equivalents - Beginning balance	166.24
Cash and cash equivalents - Ending balance	182.51

**Cash Flow**

For the year ended 31 December 2023, the Company had an increase of the net cash flow of 16.27 million baht. The Company had cash and cash equivalents of 182.51 million at the end of the period. The details of each activity are as below.

The net cash flow from operating activities of 54.82 million baht was generated from operating profit before tax, totaling 69.38 million baht, adjusted for various items including depreciation, losses, amortization, and changes in assets and liabilities associated with operations. There was a reduction in inventories, primarily by 72.58 million baht, alongside an increase in trade accounts receivable and receivables from other operations. Trade and other current payables decreased, while income tax expenses and financial costs amounted to 87.14 million baht.

The net cash flow generated from investing activities amounted to 7.37 million baht, derived from the sales of machinery and office equipment, totaling 6.75 million baht. Investments in acquiring machinery and office equipment amounted to 11.54 million baht, while intangible assets incurred an expenditure of 3.15 million baht. There was a change, with an increase (or decrease) in the management of the Company's fixed deposit accounts by 15.31 million baht.

The net cash flow utilized in financing activities was 45.35 million baht. This included payments of dividends amounting to 39.20 million baht, disbursement of debts under lease agreements totaling 5.39 million baht, and payment of interest amounting to 0.76 million baht.

Yours sincerely,

(Miss Thitiporn Chartaisong)

Chief Financial Officer

AppliCAD Public Company Limited