



No. APP_AF650801

AppliCAD Public Company Limited

09 August 2022

Subject Management Discussion and Analysis of the second quarter ended as of 30 June 2022

Dear The President

The Stock Exchange of Thailand

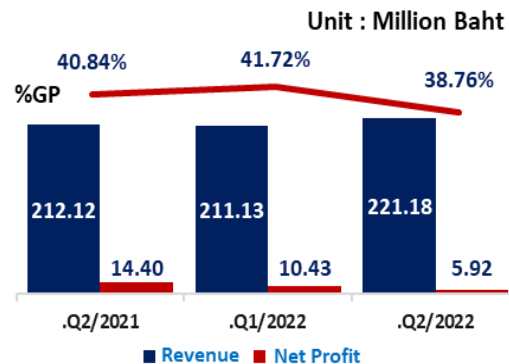
AppliCAD Public Company Limited and its subsidiaries ('the Company') would like to clarify the Company's overall operating report with reference to the consolidated financial statement as of 30 June 2022, showing 5.92 million baht of net profit. Comparing with the last year performance at the same period, whose net profit was 14.4 million baht, showed that 8.48 million baht of net profit is decreasing. The main cause of the net decreasing is that gross profit has been decreased; as well as, the impairment of the loans of 4.09 million baht to subsidiaries has been adjusted in this quarter.

Overall Operating Report

In the second quarter of 2022, the Sales of goods was 121.88 million baht, decreased 6.19% or 8.05 million baht and the Sales of service was 96.88 million baht, increased 22.33% or 17.68 million baht. 15.48 million baht of earnings or 19.55% of the increase of the Sales of service, were from selling the annual subscription of the licensed software.

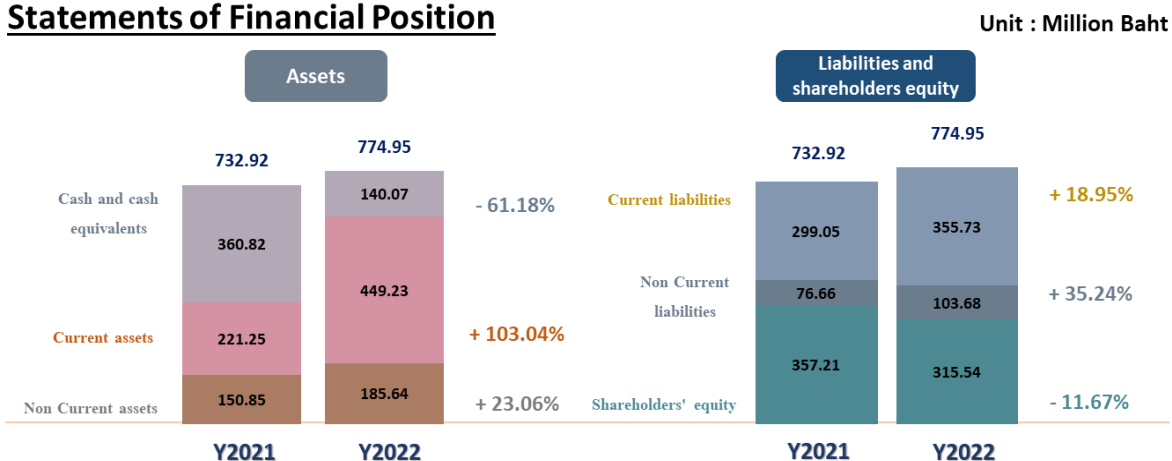
The Company's Gross Profit is 84.78 million baht and 0.62 million baht or 0.73% of gross profit was decreased from the last year Gross Profit at the same quarter. It is because the cost of goods has been increased by vendors, so the Company's gross profit is decreased from 40.84% to 38.76%.

In the second quarter of 2022, the cost of distribution was 52.40 million baht, increasing 9.76 million baht or 22.89%, compared to the last year occurred cost at the same quarter. The main cause was that the cost of commission increased to 3.53 million baht, the cost of advertising and promotional activities increased to 1.57 million baht and the processing fee of software piracy increased to 1.50 million baht from the last year cost at the same quarter.



In the second quarter of 2022, the cost of administration expense was 26.39 million baht, or 0.34 million baht increased from the last year cost of administration expense at the same quarter. The Company's has still controlled the cost of administration quite well even though the impairment of loans of 4.09 million baht to subsidiaries has been adjusted.

Statements of Financial Position



Asset

As of 30 June 2022, the Company's overall asset was 774.95 million baht, increasing 5.73% or 42.03 million baht. The main changes are as follows:

Cash and Cash equivalents was 140.07 million baht and it showed that 220.75 million baht or 61.18% were decreased by saving 80.60 million baht at the 12 month-fixed deposit and 60 million baht at the 6 month-fixed deposit. So, it resulted in an increase in financial current assets of 140.60 million baht.

Dividends of 56 million baht had been paid. The Company had the account receivables and other receivables as 121.53 million baht, increasing 37.30 million baht as a result of the undue payment of the receivables as 85.35 million baht or 70.23% of all receivables.

Net Property, Plant, and Equipment was 112.07 million Baht, increase 11.27 million Baht from the branch head offices' 3.96 million Baht and 9.27 million baht to invest on 3D printer purchases.

Right of use assets (ROU) increase 12.68 million Baht, an increase of 9.93 million Baht, resulting from the parent company's branch office and have other intangible assets which amounts 20.16 million Baht, an increase of 3.27 million Baht, resulting from an investment in intangible assets of 3 million baht made during the development of the ERP system.



Liabilities

As of 30 June 2022, the Company has the total liabilities 459.41 million baht, an increase of 83.70 million baht or 22.28%. The change of liabilities are as follows;

The account payables and other account payables had 150 million baht, an increase of 29.61 million baht or 24.44, arising from the trade payables as 77.61 million baht or 51.49% of all account payables and the liabilities of employee benefit had 51.52 million baht, an increase of 4.82 million baht or 10.33%.

Shareholders

As of 30 June 2022, the Company shareholders' equity was 315.54 million baht, a decrease of 41.49 million baht, representing a proportion of total assets, equal to 40.72%, Dividend payment from the net profit as of 31 December 2021 as 56 million baht and the operating results of the half year of 2022 has the net profit as 15.32 million baht.

Cash Flow Statement

Unit: million baht

	Q2-2022
Net cash flow (used in) operating activities	3.12
Net cash flows provided from (used in) investment activities	(164.34)
Net cash flows provided from (used in) financing activities	(58.72)
Impact of exchange rate on cash and cash equivalents	(0.81)
Net increase (decrease) in cash and cash equivalents	(220.75)
Cash and cash equivalents - beginning balance	360.83
Cash and cash equivalents - ending balance	140.07

Cash Flow

In the second quarter as of 30 June 2022, the Company had a decrease of the net cash flow as 220.75 million baht, consisting of cash and cash equivalents at the beginning of the year as 360.83 million baht so it has cause cash and cash equivalents at the end of the year equal to 140.07 million baht. The details of each activity are as below;

The net cash flow used in investing activities of 3.12 million baht, from the trade receivables and other current receivables as an increase of 57.15 million baht, the operating receivables increased by 9.93 million baht. Inventory had an increase of 24 million baht. The account payables and other account payables had an increase of 59.13 million baht and other operating payables had an increase of 13.85 million baht.



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The cash flow used in investing activities of 164.34 million baht, mostly used for investment in saving in the 6 month and 12 month-fixed deposit as 140.60 million baht, purchasing equipment and improvements according to the lease agreement of 20.08 million baht, and intangible assets during the ERP system development of 3.66 million baht.

The net cash flow in financing activities of 58.72 million baht, mostly used for dividend payment as 56 million baht, lease liabilities as 2.42 million baht and interest expense as 0.30 million baht.

Yours sincerely,

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