



No. APP_AF231101

AppliCAD Public Company Limited

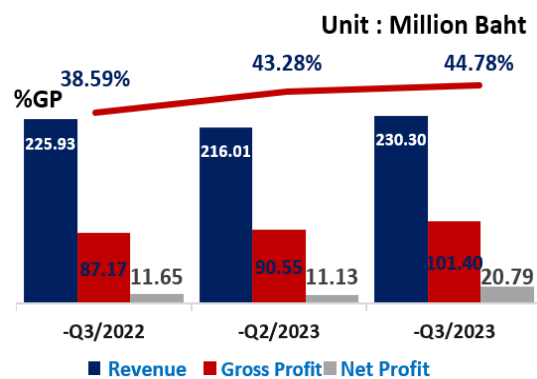
4 November 2023

Subject Management Discussion and Analysis of the 3rd quarter ended as of 30 September 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 September 2023. The Company had net profit in the 3rd quarter of 2023 amounted to 20.79 million baht, increased by 9.14 million baht compared to the same period of the previous year which was 11.65 million baht resulted from the increasing in gross profit from higher service income and other income.



Overall Operating Report

In the 3rd quarter of 2023, the total revenue was 230.30 million baht, increased by 4.37 million baht or 1.93% compared to the 3rd quarter of 2022. The revenue from sales of goods was 114.80 million baht, decreased by 7.47 million baht or 6.11% from decreasing in the sales of hardware by 32.69 million baht or 49.91% compared to the same quarter last year.

The revenue from providing services was 111.65 million baht, increased by 8.04 million baht or 7.76% due to the increasing in the annual lease rights 7.89 million baht or 46.75% of the annual lease rights in the same quarter last year.

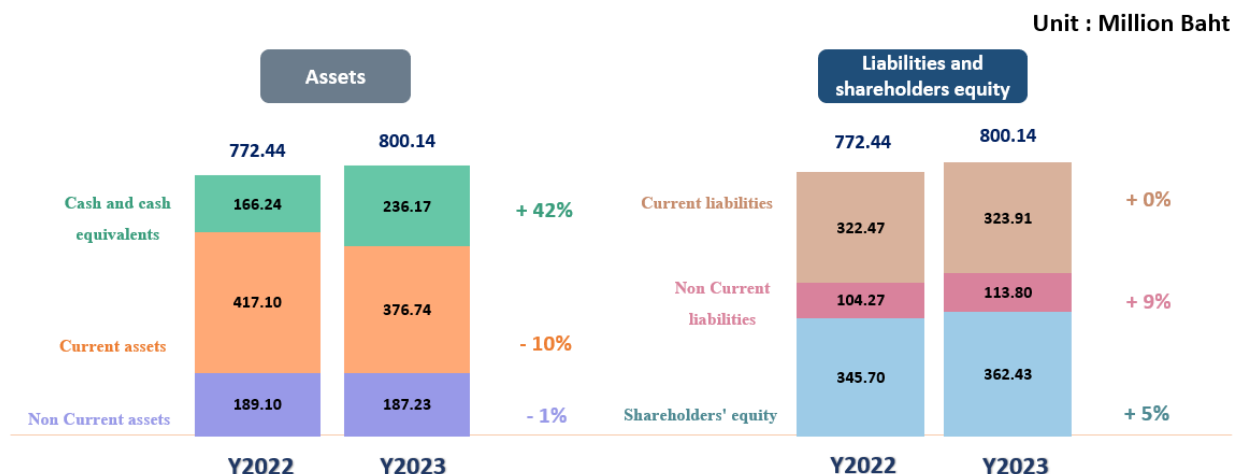
The other income was 3.85 million baht, increased by 3.80 million baht or 7,037.04% resulted from gain from exchange rate of 1.50 million baht, marketing subsidy of 1.63 million baht, and gain from sale of assets of 0.67 million baht.

The Company's gross profit was 101.40 million baht in the 3rd quarter of 2023, increased by 14.23 million baht or 16.33%. In addition, the 3rd quarter gross profit margin was increased from 38.59% in 2022 to 44.78% in 2023 mainly came from the sales of software which its gross profit margin increasing from 36.05% to 47.07%.

In the 3rd quarter of 2023, the cost of distribution was 50.97 million baht, increased by 5.03 million baht or 10.94% compared to the same quarter last year. The increased cost of distribution mainly came from the Company paid more commission fee by 6.63 million baht.

In the 3rd quarter of 2023, the administration expenses and finance costs were 29.67 million baht, increased by 3.32 million baht or 12.62% compared to the same quarter last year. The increasing was consisting of employee expenses (including salary, bonus, position allowances, and employee benefits) of 2.46 million baht, and write-off and depreciation expenses amounting to 0.86 million baht.

Statement of financial position



Assets

As of 30 September 2023, the Company and its subsidiaries' total assets were 800.14 million baht, increased by 27.71 million baht or 3.59%. The main changes are as follows:

The Company had cash and cash equivalents as of 30 September 2023 amounting to 236.17 million baht and it showed that 69.93 million baht was increased.

The trade receivables and other receivables were 110.59 million baht, increased by 14.75 million baht

Corporate income tax receivable of this period was decreased by 5.14 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 51.21 million baht, decreased by 13.80 million baht.

The Company had net property, plant, and equipment of 100.11 million baht which were decreased by 6.84 million baht because of disposal of machineries and equipment.

Liabilities

As of 30 September 2023, the Company had total liabilities of 437.72 million baht which were increased by 10.98 million baht or 2.57% mainly because the trade and other current payables of 119.14 million baht were decreased by 6.55 million baht. Liabilities from contracts (current and non-current) of 246.28 million baht were increased by 12.35 million because the Company got more the service contracts with customers.

Shareholders

As of 30 September 2023, the Company shareholders' equities were 362.43 million baht, increased by 16.73 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 9-month operation in 2023, amounting to 59.73 million baht.

Cash Flow Statement

Unit: Million Baht

	Q3-2023
Net cash flow from (used in) operating activities	64.42
Net cash flows from (used in) investment activities	48.73
Net cash flows from (used in) financing activities	(43.23)
Impact of exchange rate on cash and cash equivalents	0.02
Net increase (decrease) in cash and cash equivalents	69.94
Cash and cash equivalents - Beginning balance	166.24
Cash and cash equivalents - Ending balance	236.17

Cash Flow

For the 3rd quarter period ended 30 September 2023, the Company had an increase of the net cash flow of 69.94 million baht. The Company had cash and cash equivalents of 166.24 million baht at the beginning of the period and 236.17 million baht at the end of the period. The details of each activity are as below.



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The net cash flow from operating activities of 64.42 million baht was generated from increasing in trade receivables and other receivables of 29.04 million baht, increasing in receivables from other services of 5.47 million baht, decrease inventories of 13.52 million baht, decreasing in other assets of 1.64 million baht, decreasing in trade payables and other payables of 6.26 million baht, increasing in payables from other services of 8.27 million baht, which was a result of entering into more service contracts, increasing in other liabilities of 3.90 million baht, depreciation and write-off amount of 20.86 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 5.53 million baht, allowance for doubtful accounts of 1.27 million baht, profit from the sale of machinery amounted to 3.63 million baht, adjustment of cash flows from investment or borrowing activities of 2.81 million baht, interest received amounted to 1.55 million baht, and income tax expense of 15.02 million baht.

The net cash flow used in investment activities amounted to 48.73 million baht. This was generated from the sale of machinery and office equipment of 6.42 million baht, investment in medium-sized machinery of 10.49 million baht, investment in intangible assets of 2.88 million baht, and investment in financial assets (fixed deposits for 12 months) of 55.68 million baht.

The net cash outflow used in financing activities amounted to 43.23 million baht mainly came from dividend payments of 39.20 million baht. Additionally, 3.49 million baht was used to pay off lease obligations, and 0.55 million baht was paid for interest expenses.

Yours sincerely,

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