
nForce Secure Public Company Limited**Management Discussion and Analysis****For the three-month period Ended and nine-month period Ended 30 September 2022**

Business overview

nForce Secure Public Company Limited (the Company) is a distributor of cyber products and solutions as well as network management products and solutions. Wherein the revenue for the three-month period ended 30 September 2022 consisted of (1) revenue from sales of all products related to information technology systems, accounting for 96.20%; (2) revenue from services, it is the revenue generated from providing information technology services related to due to the products that the Company being a full-service distributor, accounting for 3.41% (3) other revenue, accounting for 0.39%, respectively.

Performance summary for the three-month period ended 30 September 2022

For the three-month period ended 30 September 2022, the Company had total revenue of Baht 205.00 million, an increase of Baht 69.33 million from the same period of previous year or an increase of 51.10% with a total comprehensive income of Baht 8.01 million, increased by Baht 4.48 million or 137.61% from the same period of 2021 mainly due to semiconductor shortage situation, which began to be severe in 2021, caused the product owners to deliver hardware products to the Company more slowly. Therefore, the Company can send products to customers more slowly as well. Due to this problem, the Company focused on software products in Q3'2022. So, the total revenue increased

Performance summary for the nine-month period ended 30 September 2022

For the nine-month period ended 30 September 2022, the Company had total revenue of Baht 590.10 million, an decrease of Baht 33.10 million from the same period of previous year or an decrease of 5.31% with a total comprehensive income of Baht 25.40 million, decreased by Baht 24.27 million from the same period of 2021 which amounted to Baht 49.67 million or 48.86% mainly due to semiconductor shortage situation, which began to be severe in Q3'2021, caused the product owners to deliver hardware products to the Company more slowly. Therefore, the Company can send products to customers more slowly as well. As a result, total revenue decreased. So, the Company solved the problem by selling software products.

Items	For the three-month period Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Revenue						
Revenue from sales	147.35	95.28	128.52	94.72	197.22	96.20
Revenue from services	6.24	4.03	6.08	4.48	6.99	3.41
Other income	1.06	0.68	0.62	0.79	0.79	0.39
Total revenue	154.65	100.00	135.22	100.00	205.00	100
Expenses						
Cost of sales and services	(121.24)	(78.40)	(112.26)	(82.74)	(175.17)	(85.45)
Selling expenses	(11.12)	(7.19)	(7.78)	(5.74)	(8.85)	(4.32)
Administrative expenses	(12.32)	(7.97)	(10.80)	(8.30)	(11.87)	(5.79)
Loss on exchange rate, net	(3.27)	(2.11)	0.81	0.69	0.71	0.35
Fair value gain (loss) on derivatives	2.23	1.44	(0.70)	(0.77)	1.94	0.95
Net impairment losses on financial assets	-	0.00	-	0.00	(0.27)	(0.13)
Share of loss from joint ventures	-	0.00	(0.16)	(0.12)	(0.65)	(0.32)
Total expenses	(145.72)	(94.23)	(130.89)	(96.81)	(194.16)	(94.71)
Profit before finance costs and income tax	8.92	5.77	4.33	3.19	10.84	5.29
Financial Cost	(0.63)	(0.41)	(0.20)	(0.14)	(0.22)	(0.11)
Profit before income tax	8.29	5.36	4.13	3.04	10.62	5.18
Income tax expenses	(1.75)	(1.13)	(0.76)	(0.56)	(2.62)	(1.28)
Profit for the period	6.54	4.23	3.37	2.49	8.00	3.90

Items	For the nine-month period Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Revenue						
Revenue from sales	446.88	95.64	607.13	97.42	570.15	96.62
Revenue from services	15.50	3.32	14.63	2.35	17.46	2.96
Other income	4.89	1.05	1.43	0.23	2.49	0.42
Total revenue	467.26	100.00	623.19	100.00	590.10	100.00
Expenses						
Cost of sales and services	(369.81)	(79.14)	(498.96)	(80.06)	(495.91)	(84.04)
Selling expenses	(29.69)	(6.35)	(26.90)	(4.32)	(28.03)	(4.75)
Administrative expenses	(36.41)	(7.79)	(34.14)	(5.48)	(34.73)	(5.89)
Loss on exchange rate, net	(8.78)	(1.88)	(2.50)	(0.68)	1.16	0.20
Fair value gain (loss) on derivatives	0.05	0.01	0.91	0.43	3.86	0.65
Net impairment losses on financial assets	-	-	-	-	(2.08)	(0.35)
Share of loss from joint ventures	0.00	0.00	(0.53)	(0.09)	(1.36)	(0.23)
Total expenses	(444.63)	(95.16)	(562.11)	(90.20)	(557.09)	(94.41)
Profit before finance costs and income tax	22.63	4.84	61.08	9.80	33.01	5.59
Financial Cost	(2.73)	(0.59)	(1.30)	(0.21)	(0.61)	(0.10)
Profit before income tax	19.89	4.26	59.78	9.59	32.40	5.49
Income tax expenses	(4.65)	(1.00)	(10.11)	(1.62)	(7.00)	(1.19)
Profit for the period	15.24	3.26	49.67	7.97	25.40	4.30

Revenue, cost, and gross profit

Sales revenues when considering the sources of products classified by type can be divided into 5 groups as follows:

1. Revenues from sales of network security system solutions, comprising of comprehensive Cybersecurity products and solutions to prevent cyber threats, including hacking attacks and malware attacks, for example, Firewall and proxy servers.
2. Revenues from sales of endpoint security systems, comprising of endpoint protection hardware and software, for example, antivirus software and anti-malware software.
3. Revenues from sales of network performance & monitoring systems, comprising of hardware and software that contribute to efficiency and effectiveness of computer networks and equipment in order to enhance organization management, including programs that monitor systems and notify system administrators of the issues in the systems so the administrators can plan ahead as a precaution against system failure or disruption.
4. Revenues from sales of the unified consent management and the centralized management, platform supporting the Personal Data Protection Act and protecting the infraction of personal data with the aim of preventing the breach of

anyone's privacy including data collection and use without notice and prior consent from the data owner, as well as being a centralized management platform that can be managed flexibly, effectively, stability and easy to use.

5. Revenues from sales of other products, comprising of management products, data management systems and user identification products.

Source of Revenue	For the three-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent	Million Baht	Percent (%)
1. Network security	100.83	68.43	88.40	68.78	153.96	78.06
2. Endpoint security	31.73	21.54	23.73	18.47	32.50	16.48
3. Network performance & monitoring	14.56	9.38	16.12	12.54	7.51	3.81
4. PDPA	-	-	-	-	-	-
5. Others	0.23	0.16	0.27	0.21	3.25	1.65
Revenue from sales	147.35	100.00	128.52	100.00	197.22	100.00

Source of Revenue	For the nine-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent	Million Baht	Percent (%)
1. Network security	264.40	59.17	468.35	77.14	445.56	78.15
2. Endpoint security	112.08	25.08	81.22	13.38	86.16	15.11
3. Network performance & monitoring	64.25	14.38	55.36	9.12	31.95	5.60
4. PDPA	-	-	-	-	1.85	0.32
5. Others	6.15	1.38	2.19	0.36	4.63	0.81
Revenue from sales	446.88	100.00	607.13	100.00	570.15	100.00

For the three-month period ended 30 September 2022, the Company's revenue from sales amounted to Baht 197.22 million, increased by Baht 68.70 million or 53.45% from the same period of 2021. The main source of income is revenue from the sale of network security products, which has increase by Baht 65.56 million, representing 74.16%; compared to the same period of 2021, as well as revenue from sales of network performance and monitoring products decreased by Baht 8.61 million or 53.40%. Meanwhile, revenue from sales of Endpoint Security products, PDPA and other groups increased by Baht 8.77 million and Baht 2.98 million, respectively, representing 36.94% and 1,119.34%, respectively, compared to the same period last year.

In addition, if considering the sources of revenue from sales classified by type of users (End user), can be divided into 5 groups of users as follows:

1. Banking, Financial services and Insurance (BFSI) in the banking, securities, and insurance industries
2. Industry group (Enterprise), which is in the manufacturing industry
3. Government & State enterprise

4. Telecom & Internet service provider (ISP) in the information and communication technology industry
5. Others, which are in the private sector business that focuses on providing services such as movie theaters, hotels, hospitals, schools, nursing homes, and trading, etc.

The Company will sell products to system integrator contractors (SI) to assemble a technology solution offered directly to the end user.

Unit : Million Baht	For the three-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
1. Banking, financial services and insurance (BFSI)	25.80	17.51	22.29	17.34	66.40	33.67
2. Industry (Enterprise)	39.04	26.50	49.29	38.35	46.13	23.39
3. Government and State Enterprises (Government)	38.42	26.07	13.79	10.73	35.72	18.11
4. Telecommunication (Telecom & ISP)	25.70	17.44	21.46	16.70	15.65	7.94
5. Others (Others)	18.39	12.48	21.69	16.88	33.32	16.89
Revenue from sales	147.35	100.00	128.52	100.00	197.22	100.00

Unit : Million Baht	For the nine-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
1. Banking, financial services and insurance (BFSI)	136.37	30.52	131.52	21.66	159.10	27.90
2. Industry (Enterprise)	138.85	31.07	171.48	28.24	157.14	27.56
3. Government and State Enterprises (Government)	83.94	18.78	157.57	25.95	112.26	19.69
4. Telecommunication (Telecom & ISP)	47.21	10.57	50.76	8.36	40.71	7.14
5. Others (Others)	40.51	9.06	95.81	15.78	100.94	17.70
Revenue from sales	446.88	100.00	607.13	100.00	570.15	100.00

The main end user group is the BFSI group, followed by the government and State Enterprises group, which for the three-month ended 30 September 2022 the Company has revenue from selling products through system integrator contractors (SI) directly to the end user of both groups. Total in 57.06%

Revenue from sales in Q3'2022 was a Baht 197.22 million, increased by Baht 68.70 million from the same period of 2021, or 53.46%, mainly due to semiconductor shortage situation, which began to be severe since 2021, caused the product owners (Vendors) to deliver hardware products to the Company more slowly. Therefore, the Company can send products to customers more slowly as well. Due to this problem, the Company focused on software products in Q3'2022. So, the total revenue increased.

Revenue from services

Unit: Million Baht	For the three-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
1. Maintenance service	4.63	78.12	3.22	53.05	3.98	56.94
2. Installation service	1.53	20.90	2.78	45.67	2.80	40.06
3. Training service	0.07	0.98	0.08	1.28	0.21	3.00
Revenue from services	6.23	100.00	6.08	100.00	6.99	100.00

Unit: Million Baht	For the nine-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
1. Maintenance service	12.12	78.12	9.35	63.89	9.73	55.72
2. Installation service	3.24	20.90	4.49	30.68	7.27	41.66
3. Training service	0.15	0.98	0.79	5.43	0.46	2.62
Revenue from services	15.50	100.00	14.63	100.00	17.46	100.00

Service revenue is divided into 3 main categories: Maintenance Service, Installation Service, and Training Service

For the three-month period ended 30 September 2022, the Company's revenue from services amounted to Baht 6.99 million, increased by Baht 0.91 million or 14.97% compared with the same period of previous mainly and revenue from installation service increased by Baht 0.76 million.

In addition, if considering the sources of revenue from sales and services, which are divided into 3 types as follows:

1. Revenue from software sales in the first year
2. Revenues from maintenance service agreement (MA) which were recurring income
3. Revenues from sales of other products and services

Unit: Million Baht	For the three-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
1. Revenue from sales of software	72.50	47.21	48.77	36.24	88.91	43.54
2. Maintenance agreement: MA	34.19	22.26	53.37	39.65	71.16	34.85
3. Revenue from others	46.90	30.53	32.46	24.12	44.14	21.61
Total revenue from sales and services	153.59	100.00	134.60	100.00	204.21	100.00

Unit: Million Baht	For the nine-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
1. Revenue from sales of software	180.55	39.05	274.13	44.09	234.6	39.93
2. Maintenance agreement: MA	157.33	34.03	204.61	32.91	242.31	41.24
3. Revenue from others	124.49	26.93	143.02	23.00	110.68	18.84
Total revenue from sales and services	462.37	100.00	621.76	100.00	587.61	100.00

Other revenue

Other revenue consists of interest income, rental income, and operating expenses from activities etc. For the three-month period ended 30 September 2022, had other income of Baht 0.79 million or 0.39% of total revenue. An increase of Baht 0.17 million mainly from interest income amounted to Baht 0.40 million (interest from financial lease contract Baht 0.22 million).

Cost of sales and services, and gross profit

Unit: Million Baht	For the three-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Revenue from sales and services	153.59	100.00	134.60	100.00	204.21	100.00
Cost of sales and services	(121.24)	(78.94)	(112.26)	(83.40)	(175.17)	(85.78)
Gross profit	32.35	21.06	22.34	16.60	29.04	14.22

Unit: Million Baht	For the nine-month Ends 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Revenue from sales and services	462.37	100.00	621.76	100.00	587.61	100.00
Cost of sales and services	(369.81)	(79.98)	(498.96)	(80.25)	(495.91)	(84.39)
Gross profit	92.57	20.02	122.80	19.75	91.70	15.61

For the three-month period ended 30 September 2022, the Company's gross profit margin was 14.22%, decreased when compared with the previous year. This is mainly due to the impact of the Semiconductor shortage situation caused the delays shipping from product owners (Vendors) and weaker THB fluctuations thus the item price from the original set as of the customer's bid date raise on the actual receipt date. Moreover, vendor has increased price of goods. As a result, gross margins are reduced.

Selling expenses

Selling expenses	For the three-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Employee expense	6.83	61.42	5.91	75.97	5.95	67.23
Advertising and promotional costs	0.70	6.30	0.14	1.80	0.22	2.49
Commission	2.31	20.77	0.87	11.18	1.82	20.56
Other selling expenses	1.28	11.51	0.86	11.05	0.86	9.72
Total	11.12	100.00	7.78	100.00	8.85	100.00

Selling expenses	For the nine-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Employee expense	18.95	63.84	18.05	67.10	18.39	65.61
Advertising and promotional costs	2.81	9.46	0.81	3.01	1.28	4.57
Commission	4.72	15.90	5.52	20.52	4.59	16.37
Other selling expenses	3.21	10.80	2.52	9.37	3.77	13.45
Total	29.69	100.00	26.90	100.00	28.03	100.00

For the three-month period ended 30 September 2022, the Company had selling expenses in the amount of Baht 8.85 million, or 4.32% of total revenue; whereas selling expenses for the nine-month period ended 30 September 2022 increased compared with the same period in 2021 in the amount of Baht 1.07 million or 13.75%.

Administrative expenses

Administrative expenses	For the three-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Employee expense	7.03	57.06	5.64	52.22	6.86	57.79
Professional fee	2.43	19.72	1.38	12.78	1.32	11.12
Depreciation	1.77	14.37	1.34	12.41	2.09	17.61
Rental fee	-	-	-	-	-	-
Employee's benefit expense	0.47	3.82	0.57	5.28	0.56	4.72
Administrative expenses	0.62	5.03	1.87	17.31	1.04	8.76
Total	12.32	100.00	10.80	100.00	11.87	100.00

Administrative expenses	For the nine-month Ended 30 September					
	2020		2021		2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Employee expense	18.73	51.45	16.78	49.15	20.25	58.31
Professional fee	8.76	24.05	7.05	20.65	4.69	13.50
Depreciation	5.39	14.82	4.31	12.63	5.50	15.84
Rental fee	0.01	0.01	-	-	-	-
Employee's benefit expense	1.37	3.77	1.80	5.27	1.65	4.75
Administrative expenses	2.15	5.90	4.20	12.30	2.64	7.60
Total	36.41	100.00	34.14	100.00	34.73	100.00

The main administrative expenses are employee expenses and professional fees. For the three-month period ended 30 September 2022, the Company had administrative expenses in the amounting to Baht 11.87 million, increased compared with the same period of the previous year Baht 1.07 million or 9.91%. This was mainly due to increase in employee expenses and depreciation Baht 3.47 million and Baht 1.19 million or 20.68% and 27.61%, respectively

Net profit and net profit margin

For the three-month period ended 30 September 2022, the Company had a net profit of Baht 8.01 million, increasing from the same period of 2021 by the amount of Baht 4.64 million or 137.72%. The net profit margin for the Q3'2022 was at 3.91% increase compared to the same period of previous year mainly due to better proportion of selling and administrative expenses compared to the same period last year. The selling and administrative expenses for the three-month period ended 30 September 2022 was 10.14%, while for the same period last year was 13.81%.

Statement of financial position

Total assets overview

As at 30 September 2022 and 31 December 2021, the Company had total assets of Baht 737.73 million and Baht 736.02 million, respectively. The details of each item can be described as follows:

Current assets

As at 30 September 2022 and 31 December 2021, the Company had current assets of Baht 629.18 million and Baht 656.26 million, representing 85.29% and 89.16% of total assets in each period, respectively. The main current assets were cash and cash equivalents, account receivables and other receivables, inventories, and receivables under lease agreements due within one year - net, each of which can be described as follows:

Cash and cash equivalents

As at 30 September 2022 and 31 December 2021, the Company had cash and cash equivalents amounting to Baht 356.84 million and Baht 402.98 million, respectively. The decreased in cash and cash equivalents mainly from the Company has made payments to trade accounts payable, the renovation building for Technical Support Center, dividend payment and investment in joint venture during the period.

Account receivables and other receivables

Items	31 December 2020		31 December 2021		30 September 2022	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Account Receivable	129.05	96.74	170.14	97.37	164.93	97.83
Accounts receivable - related party	0.00	0.00	2.51	1.44	0.55	0.33
Accrued income	3.00	2.25	2.68	1.53	1.78	1.06
<u>Less</u> Loss allowance	(2.00)	(1.50)	(2.40)	(1.37)	(1.95)	(1.16)
Total accounts receivable - net	130.05	97.49	172.93	98.97	165.31	98.06
Prepaid expenses	3.14	2.36	1.61	0.92	2.95	1.75
Employee account receivable	0.13	0.10	0.20	0.11	0.14	0.08
Accrued interest	-	-	-	-	0.18	0.11
Accrued interest - related party	0.07	0.05	-	-	-	-
Total other receivable	3.35	2.51	1.81	1.03	3.27	1.94
Total account and other receivables - net	133.39	100.00	174.74	100.00	168.58	100.00

As at 30 September 2022 and 31 December 2021, the Company had account and other receivables amounting to Baht 168.58 million and Baht 174.74 million, or accounted for 22.85% and 23.74% of total assets, respectively. As at 30 September 2022, the Company's account receivables and other receivables decreased in the amount of Baht 6.16 million because the company has the ability to manage account receivables.

Financial assets measured at fair value through profit or loss.

As at 30 September 2022, and 31 December 2021, the Company has financial assets of Baht 32.88 million and Bath 34.96 million, respectively. The Company has started investing in marketable debt securities since the fourth quarter of 2021.

Current portion of lease receivables, net

As at 30 September 2022, the Company has receivables from current portion of lease receivables amounting to Baht 31.72 million, which are receivables arising from leasing of software equipment to unrelated parties; classified as a financial lease.

Inventory

As at 30 September 2022 and 31 December 2021, the Company had net inventories of Baht 34.76 million and Baht 35.14 million, respectively. Most inventories included the ordered equipment, and computer software, pending delivery as per customers' purchase orders for which the Company has no policy of storing inventory for sale. As at 30 September 2022, the Company's inventory decreased compared to 31 December 2021 the product owner (Vendor) had shipped the goods which pending delivery to customers to the Company slower.

Non-current assets

As at 30 September 2022 and 31 December 2021, the Company had non-current assets of Baht 108.55 million and Baht 79.76 million, accounting for 14.71 percent and 10.84 percent of total assets, respectively. The majority of non-current assets are: restricted deposits, property, plant and equipment, and right-of-use assets, details as follow:

Restricted deposits at financial institutions

As at 30 September 2022 and 31 December 2021, the Company has Restricted deposits at financial institutions of Baht 31.70 million, representing 4.30 percent and 4.31 percent of total assets, respectively. Such transaction is deposit of the Company used as collateral for credit lines with financial institutions.

Property, land and equipment, and right-of-use assets

The Company's property, land and equipment, and right-of-use assets, which comprise the main items such as computers and equipment, and leasehold improvements, as at 30 September 2022 and 31 December 2021, amounted to Baht 44.11 million and Baht 23.22 million, respectively, increased by Baht 20.89 million or 89.97% compared with as at 31 December 2021, mainly due to right-of-use assets Formerly, it was the rent of the building that the Company recorded the office rental fee as a right-to-use asset according to the Thai Financial Reporting Standards No. 16 (TFRS16). During period, the Company entered into a building lease agreement to be used as a Technical Support Center, resulting in an increase in the right-of-use assets.

Liability overview

Liability structure

As at 30 September 2022 and 31 December 2021, the Company had total liabilities of Baht 156.75 million and Baht 162.54 million, respectively. Total liabilities as at 30 September 2022 decreased from as at 31 December 2021 amounting to Baht 5.79 million or 3.56% mainly from trade and other payables. The details of each item can be described as follows.

Current Liability

As at 30 September 2022 and 31 December 2021, the Company has current liabilities of Baht 119.84 million and Baht 138.67 million, accounting for 76.46% and 85.31% of total liabilities, respectively. The main items are trade and other payables and deferred revenue.

Trade and other payable

Most of the trade payable are the owners of the products, the developers of hardware and software systems that the Company purchases to sell to the customers. As at 30 September 2022, the Company has trade and other payables amounting to Baht 99.62 million, decreased from the previous year Baht 21.64 million or 17.85% is a consequence of the product owners' being able to deliver the product to the Company slower because of the semiconductor shortage in the market. This caused the balance of the trade and other payables to decrease. In addition, the Company has paid debts to trade payable faster due to good liquidity.

Deferred - current revenue

Deferred revenue from customers mostly came from customers who purchased equipment maintenance services, for which the Company received money from such customers before the actual service. As at 30 September 2022, the Company had an increase in current and deferred revenue of Baht 0.68 million mainly from the number of customers purchasing equipment maintenance services continues to increase in line with the Company's constant acquisition of service competency and expertise each year.

Non-current liability

As at 30 September 2022 and 31 December 2021, the Company has non-current liabilities of Baht 36.90 million and Baht 23.87 million, respectively. The main non-current liabilities are: deferred revenue, liabilities under finance lease agreements and employee benefit obligations

Lease liabilities

As at 30 September 2022 and 31 December 2021, the Company has financial lease liabilities of Baht 23.70 Baht and Baht 10.63 million, respectively. The Company has recorded office rental items as financial lease liabilities in accordance with the Notification of Financial Reporting Standard No. 16 (TFRS16). In Q1'2022, the Company entered into a building lease agreement to be used as a Technical Support Center, resulting in an increase in the lease liabilities.

Overview of Shareholders' Equity

As at 30 September 2022 and 31 December 2021, the Company had shareholders' equity of Baht 580.98 million and Baht 573.47 million, respectively. The Company's shareholders' equity as at 30 September 2022 increased by Baht 7.51 million, because the Company has the ability to make a continuous profit. However, the Company's paid dividend to shareholders on 29 April 2022 amount Baht 0.18 per share, total amount Baht 18.49 million.

Analysis of key financial ratios

Items	As at/ For the year ended 31 December		As at/ For the nine-month period ended 30 September
	2020	2021	2022
Liquidity ratio (times)	1.42	4.74	5.25
Quick ratio (times)	1.01	4.06	4.26
D/E ratio (times)	1.68	0.28	0.27
Cash cycle			
Average collection period (days)	85.99	64.52	65.53
Average sale period (days)	40.14	25.94	15.32
Average payment period (days)	71.45	60.26	38.39
Cash cycle (days)	54.69	30.19	42.46

Liquidity ratio, quick Ratio and DE Ratio

As at 30 September 2022, the liquidity and quick ratio were 5.25 times and 4.26 times, respectively, increasing from as at 31 December 2021 due to the Company's operating profit thus the Company has increased liquidity. Moreover, including receiving money from the initial public offering (IPO), giving the Company a good liquidity ratio. The D/E ratio was 0.27 times, slightly lower compared to as at 31 December 2021 from lower trade payables.

Cash cycle

As at 30 September 2022, the Company's cash cycle was at 42.46 days, increased from 31 December 2021 by the amount of 12.27 days, mainly due to 1) the average debt collection period decreasing 1.01 days due to longer credit term to customers 2) The average selling period has shrunk to 10.622 days because the Company is able to sell and ship most product in period due to customer demand for products and 3) the average repayment period was reduced by 21.87 days because the Company having good liquidity from the Company's operating results in Q3'2022, the Company therefore repays debts to the product owners (Vendor) faster.