
nForce Secure Public Company Limited

Management Discussion and Analysis

For the Three-month ended 31 March 2026

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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 ended 31 March 2026 consisted of (1) revenue from sales of all products related to information technology systems, accounting for 95.86%; (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 3.56% (3) other revenue, accounting for 0.57%, respectively.

Performance summary for the three-month ended 31 March 2026

For the three-month ended 31 March 2026, the Company had total revenue of Baht 309.05 million, an increase of Baht 12.59 million compared to the same period of previous year or an increase of 4.25% with a total comprehensive income of Baht 34.58 million, increased by Baht 5.44 million from the same period of previous year or an increase of 18.69%

Revenue, cost, and gross profit

Sales revenues when considering the sources of products classified by type can be divided into 4 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 other products, comprising of management products, data management systems and user identification products.

Unit: Million Baht	For the three-month ended 31 March					
	2024		2025		2026	
	Amount	%	Amount	%	Amount	%
1. Network security	264.29	78.78	206.18	72.38	236.48	79.82
2. Endpoint security	30.62	9.13	46.69	16.39	24.76	8.36
3. Network performance & monitoring	15.39	4.59	5.71	2.01	2.45	0.83
5. others	25.20	7.51	26.29	9.23	32.58	11.00
Revenue from sales	335.50	100.00	284.87	100.00	296.27	100.00

For the three-month ended 31 March 2026, the Company's revenue from sales amounted to Baht 296.27 million, increased by Baht 11.40 million or 4.00% from the same period of previous year mainly due to revenue from sale of Network Security products, the Company's main products, increased by Baht 30.30 million or 14.69%; compared to the same period of previous year, while revenue from sale of Endpoint Security products decreased by Baht 21.93 million or 46.97% compared to the same period of previous 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 31 March					
	2024		2025		2026	
	Amount	%	Amount	%	Amount	%
1. Banking, financial services and insurance (BFSI)	85.04	25.35	109.03	38.27	76.98	25.98
2. Industry (Enterprise)	81.84	24.39	93.12	32.69	109.48	36.95
3. Government and State Enterprises (Government)	47.14	14.05	31.58	11.08	50.12	16.92
4. Telecommunication (Telecom & ISP)	84.48	25.18	10.29	3.61	31.50	10.63
5. Others (Others)	37.00	11.03	40.86	14.34	28.19	9.52
Revenue from sales	335.5	100.00	284.87	100.00	296.27	100.00

The main end user group is the Enterprise group, which during the three-month ended 31 March 2026, the Company's revenue from sales through those group totaled 36.95%

Revenue from services

Unit: Million Baht	For the three-month ended 31 March					
	2024		2025		2026	
	Amount	%	Amount	%	Amount	%
1. System maintenance service	4.88	51.55	5.95	74.30	6.59	59.88
2. Installation service	4.22	44.50	2.00	24.95	4.07	36.92
3. Training service	0.37	3.95	0.05	0.75	0.35	3.20
Revenue from services	9.47	100.00	8.00	100.00	11.01	100.00

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

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 31 March					
	2024		2025		2026	
	Amount	%	Amount	%	Amount	%
1. Revenue from sales of software	168.09	48.73	137.62	46.99	122.57	39.89
2. Maintenance agreement: MA	120.02	34.79	112.57	38.44	163.32	53.51
3. Revenue from others	56.86	16.48	42.68	14.57	21.39	6.96
Total revenue from sales and services	344.97	100.00	292.87	100.00	307.28	100.00

Other revenue

Other revenue consists of interest income, rental income, profit from disposal of assets, and operating expenses from activities etc. For the three-month ended 31 March 2026, had other income of Baht 1.77 million or 0.57% of total revenue, decreased when compared to the same period of the previous year.

Cost of sales and services, and gross profit

Unit: Million Baht	For the three-month ended 31 March					
	2024		2025		2026	
	Amount	%	Amount	%	Amount	%
Revenue from sales and services	344.97	100.00	292.87	100.00	307.28	100.00
Cost of sales and services	(274.19)	(79.48)	(229.65)	(78.41)	(239.51)	(77.95)
Gross profit	70.78	20.52	63.22	21.59	67.77	22.05

For the three-month ended 31 March 2026, the Company's gross profit margin was 22.05%, slightly increase compared to the same period of previous year mainly due to adjustment of the strategy to expand the market into products with profit potential for the Company.

Selling Expenses and distribution costs

Selling expenses	For the three-month ended 31 March					
	2024		2025		2026	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Employee expense	7.26	54.63	7.90	59.60	9.66	65.04
Advertising and promotional costs	1.84	13.84	1.75	13.16	1.31	8.83
Commission	2.90	21.82	2.35	17.73	2.43	16.33
Other selling expenses	1.29	9.71	1.26	9.51	1.46	9.80
Total	13.29	100.00	13.26	100.00	14.86	100.00

For the three-month ended 31 March 2026, the Company had selling expenses in the amount of Baht 14.86 million, or 4.81% of total revenue; whereas selling expenses for the three-month ended 31 March 2025 slightly increased compared to the same period of previous year mainly due to increased employee expenses from annual salary adjustment and increased commission expenses in line with sales in the period.

Administrative expenses

Administrative expenses	For the three-month ended 31 March					
	2024		2025		2026	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Employee expense	8.75	59.48	9.91	55.61	8.54	55.54
Professional fee	0.97	6.60	0.92	5.16	1.39	9.05
Depreciation and amortization	2.86	19.44	2.80	15.71	2.61	16.94
Employee's benefit expense	0.36	2.45	0.24	1.36	0.45	2.92
Administrative expenses	1.77	12.03	3.94	22.16	2.39	15.55
Total	14.71	100.00	17.81	100.00	15.38	100.00

The main administrative expenses are employee expenses and depreciation and amortization. For the three-month ended 31 March 2026, the Company had administrative expenses in the amount of Baht 15.38 million, decreased compared to the same period of previous year Baht 22.16 million or 31.64%. This was mainly due to a decrease in employee expenses and other administrative expenses.

Net profit and net profit margin

For the three-month ended 31 March 2026, the Company had a net profit of Baht 34.58 million, increasing from the same period of previous year by the amount of Baht 5.44 million or 18.69%. Net profit margin for the three-month ended 31 March 2026 was 11.19%, increased compared to the same period of previous year mainly due to decreased in administrative expenses.

Statement of financial position

Total assets overview

As at 31 March 2026 and 31 December 2025, the Company had total assets of Baht 1,071.80 million and Baht 1,157.14 million, respectively. The details of each item can be described as follows:

Current assets

As at 31 March 2026 and 31 December 2025, the Company had current assets of Baht 988.57 million and Baht 1,080.86 million, representing 92.23% and 93.41% of total assets in each period, respectively. The main current assets were cash and cash equivalents, trade and other receivables, inventories, and current portion of installment receivables, each of which can be described as follows:

Cash and cash equivalents

As at 31 March 2026 and 31 December 2025, the Company had cash and cash equivalents amounting to Baht 633.17 million and Baht 577.11 million, respectively. Cash and cash equivalents increased mainly due to operating results and repayment from trade account receivables and other receivables.

Trade receivables and other receivables

Items	As at 31 December				As at 31 March	
	2024		2025		2026	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Trade Receivables	338.67	98.54	380.03	99.32	208.76	98.42
Contract assets	1.49	0.43	3.09	0.81	5.15	2.43
Less Expected credit losses	(1.55)	(0.45)	(2.70)	(0.71)	(3.40)	(1.60)
Total trade receivables – net	338.61	98.52	380.42	99.42	210.51	99.25
Prepaid expenses	3.95	1.15	1.46	0.38	0.95	0.45
Employee receivables	0.28	0.08	0.34	0.09	0.17	0.08
Accrued interest - related party	0.84	0.25	0.43	0.11	0.48	0.22
Total other receivables	5.07	1.48	2.23	0.58	1.60	0.75
Total account and other receivables - net	343.68	100.00	382.65	100.00	212.11	100.00

As at 31 March 2026 and 31 December 2025, the Company had trade and other receivables amounting to Baht 212.11 million and Baht 382.65 million, or accounted for 19.79% and 33.07% of total assets, respectively. As at 31 March 2026, the Company's trade receivables and other receivables decreased in the amount of Baht 170.55 million, mainly due to the repayment from trade receivables during the period.

The Company has trade receivable classified by overdue period, counting from the date the payment is due as follows;

Items	As at 31 December				As at 31 March	
	2024		2025		2026	
	Million Baht	Percent (%)	Million Baht	Percent (%)	Million Baht	Percent (%)
Not yet due	35.21	10.35	16.05	4.19	171.60	80.22
Less than 3 months overdue	273.71	80.47	365.42	95.38	41.89	19.58
Overdue more than 3 months but not over 6 months	30.50	8.97	1.23	0.32	-	-
Overdue 6 months but not over 12 months	-	-	-	-	-	-
Over 12 months overdue	0.74	0.21	0.42	0.11	0.42	0.20
Total account receivables	340.16	100.00	383.12	100.00	213.91	100.00
Expected credit loss / Loss allowance	(1.55)	(0.46)	(2.70)	(0.70)	(3.40)	(1.59)
Total account receivables - net	338.61	99.54	380.42	99.30	210.51	98.41

Inventory

As at 31 March 2026 and 31 December 2025, the Company had net inventories of Baht 55.31 million and Baht 36.04 million, respectively. Most inventories included the ordered devices, 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 31 March 2026, the Company's inventories increased compared to 31 December 2025 since the Company received the product near the end of the period, thus it has not delivered to the customer.

Non-current assets

As at 31 March 2026 and 31 December 2025, the Company had non-current assets of Baht 83.23 million and Baht 76.28 million, accounting for 7.77% and 6.59% of total assets, respectively. The majority of non-current assets are Installment receivables-net, plant and equipment, and right-of-use assets. Major change in non-current assets was increased in Installment receivables-net.:

Liability overview

Liability structure

As at 31 March 2026 and 31 December 2025, the Company had total liabilities of Baht 260.00 million and Baht 386.03 million, respectively. Total liabilities as at 31 March 2026 decreased from as at 31 December 2025 amounting to Baht 120.04 million or 31.10%. The details of each item can be described as follows.

Current Liability

As at 31 March 2026 and 31 December 2025, the Company has current liabilities of Baht 201.92 million and Baht 333.83 million, accounting for 75.91% and 86.48% of total liabilities, respectively. The main items are trade and other current payables and current contract liabilities.

Trade and other current payables

Most of the trade payables are the owners of the products, the developers of hardware and software systems that the Company purchases to sell to the customers. As at 31 March 2026, the Company has trade and other payables amounting to Baht 164.86 million, decrease from as at 31 December 2025 Baht 134.11 million or 44.86% due to the payment of debt to the product owner during the period.

Current contract liabilities

Current contract liabilities mostly came from customers who purchased equipment maintenance services, for which the Company received money from such customers before the actual service. As at 31 March 2026, the Company had a slight increase in current deferred revenue due to 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 31 March 2026 and 31 December 2025, the Company has non-current liabilities of Baht 64.08 million and Baht 52.20 million, respectively. The main non-current liabilities are non-current contract liabilities, lease liabilities and employee benefit obligations.

Contract liabilities

Contract liabilities are caused by unearned service revenue that has not yet completed, decreased when compared to as at 31 December 2025 due to revenue recognition during period.

Overview of Shareholders' Equity

As at 31 March 2026 and 31 December 2025, the Company had shareholders' equity of Baht 805.80 million and Baht 771.11 million, respectively. The Company's shareholders' equity as at 31 March 2026 increased by Baht 34.70 million from the Company's performance during period.

Analysis of key financial ratios

Items	As at/ For the year ended 31 December	As at/ For the three-month ended 31 March	
	2025	2025	2026
Liquidity ratio (times)	3.24	4.93	4.90
Quick ratio (times)	2.86	4.23	4.15
D/E ratio (times)	0.50	0.28	0.33
Cash cycle			
Average collection period (days)	100.88	87.47	81.58
Average sale period (days)	12.99	15.91	15.91
Average payment period (days)	76.13	34.06	48.42
Cash cycle (days)	37.74	69.31	49.07

Liquidity Ratio, quick Ratio and D/E Ratio

As at 31 March 2026, the liquidity and quick ratio were 4.90 times and 4.15 times, respectively, slightly decreased when compared with as at 31 December 2025. Meanwhile, the D/E Ratio was 0.33 times. However, the Company still has a profit from its operations provided the Company with good liquidity.

Cash cycle

As at 31 March 2026, the Company's cash cycle was at 49.07 days, decreased from the same period of the same period of previous year by the amount of 20.24 days, mainly due to the payment of debt to trade payables during the period.