10 May 2023

Subject Management Discussion and Analysis

Financial Performance for the three-month period ended 31 March 2023

To President

The Stock Exchange of Thailand

TQR Public Company Limited ("the Company") would like to provide our financial performance for the three-month period ended 31 March 2023 as follows.

Service Income

For the three-month period ended 31 March 2022 and 2023, the company had service income of THB 51.62 million and THB 65.15 million, respectively. The service income increased by THB 13.53 million or an increase of 26.21% from the same period last year. The company service income in 2023 consists of 3 segments as follow:

Items	The types of the company business for the three-month period ended 31 March					
	2022		2023		Change	
	MB	%	MB	%	MB	%
1. Traditional Business	19.30	37.39	21.86	33.55	2.56	13.24
2. Alternative Business	32.29	62.55	42.66	65.48	10.37	32.14
3. Other Business	0.03	0.06	0.63	0.97	0.60	1864.07
Total Service Income	51.62	100.00	65.15	100.00	13.53	26.21

For the three-month period ended 31 March 2022 and 2023, the company had service income from Traditional Business of THB 19.30 million and THB 21.86 million, respectively. This increased by THB 2.56 million or 13.24% from the same period last year due to the increase of motor reinsurance treaty business and Industrial All Risks reinsurance.

For the three-month period ended 31 March 2022 and 2023, the services income of Alternative Business was THB 32.29 million and THB 42.66 million, respectively. This increased by THB 10.37 million or 32.14% from the same period last year. The increase derived from Non-motor insurance class in Health and Personal Accident insurance, especially from Specialty class such as Political violence Insurance and Fire Insurance, Cyber Insurance, and Director's & Officer's Liability Insurance.

Other Business is the revenue from subsidiary company which operates packaged software service provider.

Other income

For the three-month period ended 31 March 2022 and 2023, the company had other income of THB 4.54 million and THB 1.23 million, respectively. Other income decreased by THB 3.31 million or 72.91% from the same period last year. Other income was decrease from in Q1'22 there was the reversal of allowance for doubtful account amounting to THB 3.93 million to other income and received the supporting employment fund from government. While in Q1'23 other income occurred from interest income and dividend income.

Cost of services

As the company is a service business, the main cost of service are mainly human resources, who have expertise in Insurance and Reinsurance Business. Therefore, cost of service of the Company comprises of salaries, bonus, social security fund and provident fund contribution for Client service.

For the three-month period ended 31 March 2022 and 2023, the company had cost of services of THB 12.30 million and THB 14.77 million, respectively, which was increased by THB 2.47 million or 20.08% from the same period last year due to annual salary increase and nowadays there was recruit the employees replaced.

Gross Profit

For the three-month period ended 31 March 2022 and 2023, the company had gross profit of THB 39.32 million and THB 50.39 million, respectively, This increased by THB 11.07 million or 28.15% from the same period last year. The increase was mainly resulted from the increase of services income in Alternative business.

Selling Expenses

Selling expenses is mainly a sales promotion paid to the external introducer for Alternative Business. For the three-month period ended 31 March 2022 and 2023, the company had selling expenses of THB 0.42 million and THB 1.07 million, respectively, which was increased by THB 0.65 million or 154.76% from the same period last year since the sale promotion was adjusted according to economic situation.

Administrative Expenses and Other expenses

For the three-month period ended 31 March 2022 and 2023, the company administrative expenses were THB 12.82 million and THB 15.06 million, respectively. The administrative expenses increased by THB 2.24 million or 17.47%, from the same period last year. For the other expenses were THB 0.03 million and THB 1.68 million, respectively. The other expenses increased by THB 1.65 million or 5500%, from the same period last year, mainly from the unrealized loss exchange rate of FCD bank and loss from securites investments.

Income tax expenses

For the three-month period ended 31 March 2022 and 2023, the company had income tax expenses of THB 5.82 million and THB 6.94 million, respectively. The increase of THB 1.12 million or 19.24% was according to the increase of company profit.

Net Profit

For the three-month period ended 31 March 2022 and 2023, the company net profit was THB 24.58 million (43.77 % of sales) and THB 26.72 million (40.24 % of sales), respectively. The increase in net profit by THB 2.13 million or 8.67% from the same period last year, resulted from an increase of service income.

Yours sincerely,

- Mr. Chanaphan Piriyaphan -

(Mr. Chanaphan Piriyaphan)

Chief Executive Officer