

February 16, 2023

Subject: Management Discussion and Analysis for the year 2021

President

The Stock Exchange of Thailand

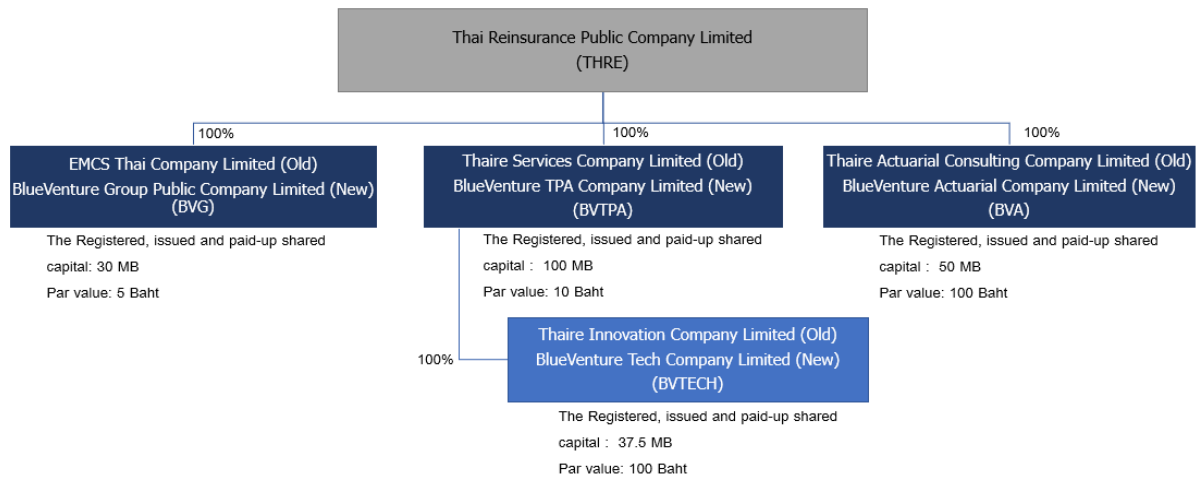
Business reorganization

The Group has restructured its shareholding with the following main objectives:

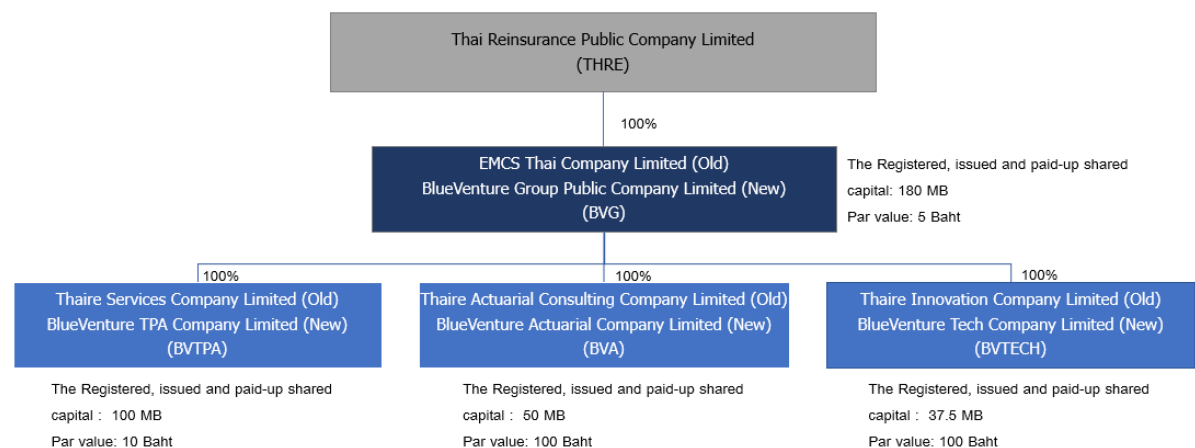
1. To be clear between the business of THRE and the group companies that operate in technology innovation business.
2. To support the action plan for the group of companies to be listed on the MAI stock market.

The shareholding structure of the group of companies has changed as follows:

The shareholding structure of the Group before the shareholding restructuring



The shareholding structure of the Group before the shareholding restructuring as of July 9, 2021



Operating results for the year 2021

(Thousand baht)

Consolidate	12M2021 a	12M2020 b	+/- a - b	%YoY a : b
Revenue from services	400,242	388,400	11,842	3%
<i>BVG</i>	163,899	163,774	126	0%
<i>BVTPA</i>	217,472	211,264	6,208	3%
<i>BVA & BVTECH</i>	18,871	13,362	5,509	41%
Costs of services	176,113	174,713	1,400	1%
<i>BVG</i>	90,207	86,447	3,760	4%
<i>BVTPA</i>	73,282	77,571	(4,289)	-6%
<i>BVA & BVTECH</i>	12,624	10,696	1,929	18%
Gross profit	224,129	213,686	10,442	5%
Administrative expenses	161,307	138,175	23,132	17%
Operation profit	62,822	75,512	(12,690)	-17%
Other income(expenses)	2,642	2,288	353	15%
Profit before tax	65,463	77,800	(12,337)	-16%
Net Profit	50,164	62,229	(12,065)	-19%

Consolidate	31/12/2021 a	31/12/2020 b	+/- a - b	%+/- a : b
Total assets	508,600	495,990	12,609	3%
Total liabilities	124,456	108,935	15,521	14%
Shareholders' equity	384,143	387,055	(2,912)	-1%

1. Revenue from services

In 2021, the Group had revenue from services of 400.24 million baht, an increase of 11.84 million baht or +3% from the previous year, mainly from the increase in revenue from the subsidiaries as follows:

- *BVTPA*: Revenue from training on the insurance businesses increased by 5.44 million baht due to the expansion of online training services in response to lockdown measures from the COVID-19 situation.
- *BVA*: Actuarial consulting increased in the amount of 3.22 million baht from the assessment of employee benefit obligations in accordance with the TAS 19 Employee Benefits and the assessment of the financial impact on insurance company customers as per Thai Financial Reporting Standard No. 17 on Insurance Contracts (TFRS 17).
- *BVTECH*: Electronic platform and software development services, which are new businesses such as Smart Motor Taxi Pool Wellnesso and Insurance Network, had increased revenue of 3.3 million baht.

Revenue from motor insurance business management platforms and applications ("EMCS") and medical benefits and claims management services, as well as related consulting services through platforms and applications ("TPA Services"), remains at the same level as 2020, although the motor and health insurance industries have continued to be affected by the COVID-19 situation since the year 2020.

2. Cost of Services

In 2021, there was a cost of 176.11 million baht, a slight increase from 2020 of 1.40 million baht, representing +1% due to the following reason.

- BVG and BVTECH: There is a cost to supporting business expansion by expanding manpower, especially among personnel with technology capabilities.
- BVTPA: The increased cost of speakers at training agencies is due to the change from hiring regular speakers to external speakers on a case-by-case basis.

3. Gross profit

In 2021, there was a gross profit of 224.13 million baht, an increase of 10.44 million baht from 2020, or +5%, with an increase in gross profit due to an increased proportion of revenue higher than the increased cost proportion.

4. Administrative expenses

The company has expenses of 161.31 million baht in 2021, which is an increase from 2020 in the amount of 23.13 million baht, +17%. It is an increase in BVG's employee expenses to support the company's growth and the cost of preparing for the company to be listed on the stock market, both in terms of consulting fees. It started operating in 2021.

5. Operating profit

In 2021, the amount of operating profit was 62.82 million baht, which is a decrease of 12.69 million baht, or -17% from 2020 due to the costs and expenses mentioned above.

6. Financial position

As of December 31, 2021, the group had total assets of 508.60 million baht, an increase of 12.61 million baht from the end of 2020, or +3%, mainly from an increase in intangible assets of 16.36 million baht from computer programs, namely AI Review and the new version of e-claim to serve BVG's customers.

Total liabilities of 124.46 million baht, an increase of 15.52 million baht or +14%, mainly from net trade payables and other payables of 14.87 million baht, consisting of accrued expenses on IT systems and expenses regarding BVG's preparation to be listed on the stock market.

Shareholders' equity was 384.14 million baht, which is a decrease of 2.91 million baht, or -1%, because the company had a net profit of 50.16 million baht in 2021 and a dividend payment of 52.80 million baht in 2021.

Please be informed accordingly.

Yours sincerely,

(Mrs. Nawarat Wongthitirat)

Chief Executive Officer