

13 May 2024

Subject Management Discussion and Analysis

Financial Performance for the three-month period ended 31 March 2024

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 2024 as follows.

Service Income

For the three-month period ended 31 March 2023 and 2024, the Company had service income of THB 65.15 million and THB 75.25 million, respectively. The service income increased by THB 10.10 million or an increase of 15.50% from the same period last year. The Company service income in 2024 consists of 3 segments as follow:

Items	The types of the Company business for the three-month period ended 31 March					
	2023		2024		Change	
	MB	%	MB	%	MB	%
1. Traditional Business	21.86	33.55	23.87	31.72	2.01	9.19
2. Alternative Business	42.66	65.48	51.67	68.67	9.01	21.12
3. Other Business	0.63	0.97	(0.29)	(0.39)	(0.92)	(146.03)
Total Service Income	65.15	100.00	75.25	100.00	10.10	15.50

For the three-month period ended 31 March 2023 and 2024, the Company had service income from Traditional Business of THB 21.86 million and THB 23.87 million, respectively. This increased by THB 2.01 million or 9.19% from the same period last year due to the increase of Property reinsurance (Industrial All Risks), Personal Accident and Health reinsurance treaty business.

For the three-month period ended 31 March 2023 and 2024, the services income of Alternative Business was THB 42.66 million and THB 51.67 million, respectively. This increased by THB 9.01 million or 21.12% from the same period last year. The increase derived from Non-motor insurance class in Personal Accident and Health reinsurance, that increase from expanding economy and increasing of tourists. Moreover, the Company also focus on Specialty class such as Political violence reinsurance, Director's & Officer's reinsurance and Cyber reinsurance.

Other Business is the revenue from subsidiary company which operates packaged software service provider. The Company recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term.

Other income

For the three-month period ended 31 March 2023 and 2024, the Company had other income of THB 1.23 million and THB 5.43 million, respectively. Other income increased by THB 4.20 million or 342.49 % from the same period last year. The reasons that mainly increased of other income was occurred from gain on exchange rate, interest income, dividend income, and realized gain on investment.

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 2023 and 2024, the company had cost of services of THB 14.77 million and THB 15.10 million, respectively, which was increased by THB 0.33 million or 2.28% from the same period last year.

Gross Profit

For the three-month period ended 31 March 2023 and 2024, the Company had gross profit of THB 50.39 million and THB 60.15 million, respectively, This increased by THB 9.76 million or 19.37% 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 from selling expense to expand channel in Alternative Business. For the three-month period ended 31 March 2023 and 2024, the company had selling expenses of THB 1.07 million and THB 1.58 million, respectively, which was increased by THB 0.51 million or 47.17% from the same period last year, this increase in the same way of Revenue from Alternative Business.

Administrative Expenses

For the three-month period ended 31 March 2023 and 2024, the Company administrative expenses were THB 15.06 million and THB 26.25 million, respectively. The administrative expenses increased by THB 11.19 million or 74.33%, from the same period last year. This increased from ECL from doubtful debt THB 7.32 million, these occurred from account receivables from service income for the three-month period ended 31 March 2024, that will be reversed whenever settlement in subsequent period.

Other expenses

For the three-month period ended 31 March 2023, the Company had the other expenses of THB 1.68 million, occurred from unrealized loss on securities investments, as fair value, that decreased depend on Fair Market value. While, For the three-month period ended 31 March 2024 had unrealized gain in other income.

Income tax expenses

For the three-month period ended 31 March 2023 and 2024, the Company had income tax expenses of THB 6.94 million and THB 7.94 million, respectively. The increase of THB 1.00 million or 14.41% was according to the increase of company profit.

Net Profit

For the three-month period ended 31 March 2023 and 2024, the Company net profit was THB 26.72 million (40.24 % of total revenues) and THB 30.51 million (37.82 % of total revenues), respectively. The increase in net profit by THB 3.79 million or 14.22% from the same period last year, resulted from an increase of revenue of service income and other income.

Yours sincerely,

- Mr. Chanaphan Piriayaphan -

(Mr. Chanaphan Piriayaphan)

Chief Executive Officer