

Management Discussion and Analysis of Operating Results for the First Quarter of 2026
TQM Alpha Public Company Limited (“TQM”)

1. Executive Summary

Q1 2026 was a quarter in which TQM demonstrated exceptional resilience and strength amid a highly dynamic macroeconomic environment. From geopolitical developments in the Middle East affecting global energy markets, to rapidly evolving international trade policies and global economic adjustments, the Company navigated these factors with remarkable effectiveness while maintaining business continuity and delivering high-quality customer service throughout.

Against this backdrop, TQM executed its growth strategy in motor insurance — the Company's core business — with strong conviction, sustaining high policy renewal rates, continuously elevating service quality, and leveraging digital channels to their full potential. At the same time, robust and sustained demand for fire insurance and industrial all-risk products reflects an expanding business opportunity driven by rising consumer risk awareness.

The Company has successfully reinforced the stability of its revenue base through disciplined management of its existing customer base, expansion of health and life insurance products that are well-aligned with market needs, and the deployment of artificial intelligence to enhance customer engagement — all of which represent a solid foundation for long-term growth.

2. Insurance Business Overview

Q1 2026 demonstrated the insurance industry's resilience and adaptability amid a dynamic macroeconomic landscape. Growing consumer risk awareness served as a key demand driver, supporting growth across multiple product categories.

Demand for fire insurance, industrial all-risk (IAR), and health insurance expanded strongly, reflecting consumers' increasingly informed approach to protecting their assets and wellbeing. Meanwhile, the Office of Insurance Commission (OIC) has made meaningful progress in implementing the 5th Insurance Development Plan (2026–2030), which aims to elevate Thailand's insurance system to the status of "national security infrastructure" and a National Risk Buffer, anchored by four strategic pillars: stability, resilience, universal access, and technology- and data-driven growth.

The OIC's proactive policy agenda this quarter included strengthening intermediary supervision through preventive regulation, advancing the transition to e-Payment premium collection — which will enhance industry-wide transparency and efficiency — and conducting the 2026 Stress Test to validate the robustness of the

insurance system under all scenarios. These initiatives are all positive signals for the long-term development of the industry.

3. Q1 2026 Financial Performance Overview

3.1 Premiums and Revenue

TQM recorded continued premium growth from its core businesses in Q1 2026, particularly in motor and health insurance, supported by a strong customer base and rising demand for health coverage reflecting current healthcare cost trends. Fire insurance and industrial all-risk products benefited from heightened consumer risk awareness, underscoring the Company's ability to capture growth opportunities across a diversified product range.

The Company maintained a stable and resilient revenue base through effective management of its existing customer portfolio — a strategic strength that provides consistent income generation across varying market conditions. The normalization of vehicle sales following the conclusion of the EV 3.0 stimulus program further allows the Company to sharpen its focus on deepening existing customer relationships and creating long-term value.

3.2 Costs and Expenses

The Company managed its operating costs efficiently and flexibly in Q1 2026, demonstrating strong operational discipline despite energy cost and transportation cost pressures in the global market context. TQM fully harnessed the power of technology and digital systems to enhance operational efficiency across all dimensions — reducing costs, accelerating service delivery, and elevating the customer experience.

The Company remains firmly committed to sustainable growth, prioritizing portfolio quality and long-term stability alongside expansion. This disciplined approach serves as a strong foundation for delivering consistent and compounding value to shareholders over time.

3.3 Liquidity and Financial Stability

The Company maintained a strong and solid financial position throughout Q1, with the lending business expanding in a high-quality, low-risk manner and continuing to play an important role in supporting insurance sales. This reinforces the strength and diversification of the Company's income structure, in alignment with the OIC's supervisory direction to promote sustainable financial stability and reliable claims-paying capacity across the insurance sector.

4. Risk Factors and Management

In Q1 2026, the Company proactively monitored and managed key risk factors with close attention and forward-looking discipline, as follows:

- ❖ **Energy price risk management:** The Company continuously monitors global energy market developments, incorporating analytical findings into timely pricing strategy and cost management adjustments.
- ❖ **Economic adaptability:** While SCB EIC has revised Thailand's 2026 GDP growth estimate to 1.4%, the Company continues to generate stable revenues from its strong customer base and a product range that serves every market segment effectively.
- ❖ **Inflation response:** The Company has designed products with flexible pricing and coverage options, ensuring that customers across all segments can maintain continued access to insurance protection.
- ❖ **Trade uncertainty response:** The Company diversifies risk through a broad product portfolio, reducing dependence on any single external factor.
- ❖ **Consumer behavior response:** The Company offers insurance products across multiple coverage tiers — from Type 1 through Type 3 — providing customers with appropriate choices suited to their individual needs and budgets.
- ❖ **Regulatory readiness:** The Company is systematically and punctually preparing for the e-Payment system requirement, ensuring a seamless transition for both agents and customers well within the OIC's prescribed timeline.

5. Targets and Strategy

For 2026, TQM is committed to executing its growth strategy through three core pillars, aimed at creating sustainable long-term value for shareholders and all stakeholders:

- ❖ **Retain and grow the customer base:** by targeting an average policy renewal rate of 80% while expanding into new customer segments, particularly in health insurance and fire insurance markets, where demand growth momentum is strong.
- ❖ **Develop products tailored to every customer group:** by offering accessible, flexible coverage options that ensure customers at every level receive the right protection for their needs and budget.

- ❖ **Drive efficiency through innovation:** by fully deploying artificial intelligence and digital systems, while proactively preparing for the OIC-mandated e-Payment transition — strengthening long-term competitive capability across the organization.

6. Economic and Industry Outlook

6.1 Thailand Economic Outlook

Thailand's economy in 2026 maintains several solid underpinnings. SCB EIC forecasts GDP growth of 1.4%, while the current account surplus of USD 2.1 billion reflects strong external stability. The Bank of Thailand reported headline inflation of -0.88% and core inflation of 0.56% in February 2026, indicating that the overall price environment remains manageable.

The Monetary Policy Committee (MPC) is expected to hold the policy rate steady at 1.00% throughout 2026, creating a predictable and conducive environment for long-term business planning.

6.2 Insurance Industry Outlook

The outlook for the insurance industry over the remainder of 2026 is rich with growth opportunities. Fire insurance and health insurance are expected to continue their strong expansion, driven by heightened risk awareness and rising healthcare costs. Motor voluntary insurance remains a stable and reliable core revenue pillar for the Company.

The OIC continues to drive total insurance premiums toward the THB 1 trillion milestone, supported by clear structural growth drivers including an aging society, increasing health consciousness, and rising medical costs. The 2026 Stress Test further reflects the OIC's commitment to building an industry that is strong and well-prepared for every scenario over the long term.

7. TQM's Outlook

Growth driven by customer retention, targeted product design, and high-impact technology deployment

For the second quarter and the remainder of 2026, TQM is fully prepared to maintain the stability of its motor insurance business, which remains its core revenue driver. The company is also ready to build upon growth in individual life and health insurance through the development of products that precisely meet the needs of each specific customer segment.

Additionally, the company has begun implementing its Jump+ strategic plan, which focuses on transforming the organization into a Data-driven Insurance Broker. The goal is to achieve total revenue growth of 5-7% by 2028 through four Strategic AI Pillars: Sales Productivity, Conversion Effectiveness, Policy Persistency, and Cost Efficiency Platform management.

The financial business will proceed with credit quality management in a prudent and disciplined manner, focusing on financial products with appropriate risk levels. Insurance premium loans continue to be the primary portion of the credit portfolio, alongside the development of digital channels to broaden public access, utilizing AI to assist in risk analysis and increase the Renewal Rate.

[Key Financial Information for Q1/2026 Compared with Q1/2025](#)

Item	Q1/2026	Q4/2025	% Change	Q1/2025	% Change	2025	2024	% Change
Unit: THB million	(3-month)	(3-month)	(QoQ)	(3-month)	(YoY)			(YoY)
Revenue from contracts with customers	997.7	959.6	4.0%	1,096.8	(9.0%)	3,856.9	3,905.6	(1.3%)
Other income	20.2	18.6	8.6%	17.8	13.5%	90.0	85.6	5.1%
Total revenue	1,017.9	978.2	4.1%	1,114.6	(8.7%)	3,946.9	3,991.3	(1.1%)
Cost of services	(533.5)	(494.6)	7.9%	(539.6)	(1.1%)	(2,012.4)	(1,927.9)	4.4%
Gross profit	464.2	465.1	(0.2%)	557.2	(16.7%)	1,844.6	1,977.7	(6.7%)
Administrative expenses	(221.5)	(232.3)	(4.6%)	(262.5)	(15.6%)	(928.0)	(936.7)	(0.9%)
Net profit	204.1	197.1	3.6%	242.5	(15.8%)	783.9	861.9	(9.1%)
Net profit attributable to the parent company	185.7	183.5	1.2%	228.3	(18.7%)	736.8	810.9	(9.1%)
Earnings per share (Baht)	0.31	0.31	0.00	0.38	(0.07)	1.23	1.35	(0.12)

[Key Financial Ratios](#)

Item	Q1/2026	Q1/2025
Net profit margin	20.0%	21.8%
Net profit margin attributable to the parent company	18.2%	20.5%
Debt-to-equity ratio (times)	0.76	0.61
Current ratio (times)	2.10	2.52
Return on total assets (ROA)	12.2%	14.7%
Return on equity (ROE)	20.5%	24.1%
Operating profit margin	24.0%	26.4%
EBITDA margin	30.0%	32.1%

Analysis of Q1/2026 Operating Performance Compared with FY2025

Revenue

- Q1/2026 Compared with Q4/2025:
 - Revenue from contracts with customers in Q1/2026 was THB 997.7 million, an increase of 4.0% from THB 959.6 million in Q4/2025, primarily driven by higher commission income from the non-life insurance brokerage business, resulting from the introduction of credit products to expand the customer base in the non-life insurance brokerage business during Q1. Commission revenue was THB 591.2 million, up 20.0% from THB 492.7 million in Q4/2025, while other service revenue was THB 406.5 million, down 12.9% from THB 467.0 million in Q4/2025.
 - Interest and dividend income in Q1/2026 was THB 2.9 million, a decrease of 10.4% from THB 3.2 million in Q4/2025.
 - Other income in Q1/2026 was THB 17.3 million, an increase of 12.5% from THB 15.4 million in Q4/2025.
- Q1/2026 Compared with Q1/2025:
 - Revenue from contracts with customers in Q1/2026 was THB 997.7 million, a decrease of 9.0% from THB 1,096.8 million in Q1/2025, primarily driven by a decline in commission income from the life insurance brokerage business during Q1. Commission revenue was THB 591.2 million, down 12.1% from THB 672.6 million in Q1/2025, while other service revenue was THB 406.5 million, down 4.2% from THB 424.2 million in Q1/2025.
 - Interest and dividend income in Q1/2026 was THB 2.9 million, a decrease of 39.5% from THB 4.8 million in Q1/2025.
 - Other income in Q1/2026 was THB 17.3 million, an increase of 32.8% from THB 13.0 million in Q1/2025.

Costs of rendering of services and Administrative Expenses

- Q1/2026 Compared with Q4/2025:
 - Cost of services in Q1/2026 was THB 533.5 million, an increase of 7.9% from THB 494.6 million in Q4/2025, primarily due to higher sales and business development personnel expenses in the non-life insurance brokerage business to support customer base expansion and sales channel growth. As a proportion of revenue from contracts with customers, cost of services represented 53.5% in Q1/2026, up from 51.5% in Q4/2025.
 - Administrative expenses in Q1/2026 were THB 221.5 million, a decrease of 4.6% from THB 232.3 million in Q4/2025, primarily due to a decrease in employee benefit expenses. As a proportion of revenue from contracts with customers, administrative expenses represented 22.2% in Q1/2026, down from 24.2% in Q4/2025.
- Q1/2026 Compared with Q1/2025:
 - Cost of services in Q1/2026 was THB 533.5 million, a decrease of 1.1% from THB 539.6 million in Q1/2025, primarily due to lower sales and business development personnel expenses in the life insurance brokerage business. As a proportion of revenue from contracts with customers, cost of services represented 53.5% in Q1/2026, up from 49.2% in Q1/2025.
 - Administrative expenses in Q1/2026 were THB 221.5 million, a decrease of 15.6% from THB 262.5 million in Q1/2025, primarily due to a decrease in employee benefit expenses. As a proportion of revenue from contracts with customers, administrative expenses represented 22.2% in Q1/2026, down from 23.9% in Q1/2025.

Profit

- Q1/2026 Compared with Q4/2025:
 - The Company reported gross profit of THB 464.2 million, a decrease of 0.2% from THB 465.1 million in Q4/2025, representing gross profit margins of 46.5% and 48.5%, respectively.
 - The Company reported net profit of THB 204.1 million, an increase of 3.6% from THB 197.1 million in Q4/2025, representing net profit margins of 20.0% and 21.8%, respectively. The increase in net profit was primarily attributable to higher revenue from the non-life insurance brokerage business.
- Q1/2026 Compared with Q1/2025:
 - The Company reported gross profit of THB 464.2 million, a decrease of 16.7% from THB 557.2 million in Q1/2025, representing gross profit margins of 46.5% and 50.8%, respectively.
 - The Company reported net profit of THB 204.1 million, a decrease of 15.8% from THB 242.5 million in Q1/2025, representing net profit margins of 20.0% and 20.1%, respectively. The decrease in net profit was primarily attributable to lower revenue from the life insurance brokerage business.

Summary of Financial Position as at Q1/2026 Compared with FY2025

Item	31 March 2026	31 December 2025	% Change
Unit: THB million			
Current assets	4,457.7	4,185.2	6.5%
Non-current assets	1,935.4	1,944.4	(0.5%)
Total assets	6,393.2	6,129.6	4.3%
Current liabilities	2,127.7	2,053.4	3.6%
Non-current liabilities	630.9	625.5	0.9%
Total liabilities	2,758.7	2,678.9	3.0%
Total shareholders' equity	3,634.5	3,450.6	5.3%

Assets

As of 31 March 2026, the Company had total assets of THB 6,393.2 million, an increase of 4.3% from the prior year. Current assets accounted for 69.7% and non-current assets accounted for 30.3% of total assets, compared to 68.3% and 31.7%, respectively, in 2025.

- Current assets were THB 4,457.7 million, an increase of 6.5% from THB 4,185.2 million in 2025, primarily due to cash and cash equivalents increasing 33.4% to THB 1,505.6 million from THB 1,129.1 million in 2025, driven by higher cash flows from operating activities, as accrued service income and other receivables decreased 29.0% to THB 683.5 million from THB 962.5 million in 2025.
- Non-current assets were THB 1,935.4 million, a decrease of 0.5% from THB 1,944.4 million in 2025, primarily due to amortization resulting in a slight decrease in intangible assets of 4.3% from THB 501.4 million in 2025.

Liabilities

As of 31 March 2026, the Company had total liabilities of THB 2,758.7 million, an increase of 3.0% from the prior year. Current liabilities accounted for 77.1% and non-current liabilities accounted for 22.9% of total liabilities, compared to 76.7% and 23.4%, respectively, in 2025.

- Current liabilities were THB 2,127.7 million, an increase of 3.6% from THB 2,053.4 million in 2025, primarily driven by two factors: (1) Advance insurance premiums received increased 22.0% to THB 143.3 million from THB 117.5 million in 2025, and (2) Short-term borrowings from financial institutions increased 5.0% to THB 1,270.0 million from THB 1,210.0 million in 2025.
- Non-current liabilities were THB 630.9 million, an increase of 0.9% from THB 625.5 million in 2025, primarily due to a slight increase in non-current provisions for employee benefits.

Shareholders' Equity

As of 31 March 2026, the Company had total shareholders' equity of THB 3,634.5 million, an increase of 5.3% from the prior year, primarily due to a 12.3% increase in retained earnings from THB 1,293.4 million in 2025.

Sustainability Performance

The company is committed to responsible business practices that consider all stakeholders, including customers, employees, partners, society, and the community. We aim to drive sustainable development by integrating sustainability goals into our operational strategy. In doing so, we set targets, monitor our performance, and make improvements as necessary. Our focus is on achieving a balance between the company’s growth and development, good corporate governance, risk management, operational efficiency, and value creation with stakeholders. This commitment spans across environmental, social, and governance (ESG) dimensions.

Evaluation Results (as of 31 December 2025)

- Received certification from the Thai Private Sector Collective Action Against Corruption (CAC) in the announcement of certified companies for Q2 2025
- 2025 AGM Checklist rated as ‘Outstanding and Exemplary’
- Received a 5-star rating, or “Excellent” (Excellent CG Scoring), for corporate governance assessment in 2025, marking the sixth consecutive year, awarded by the Thai Institute of Directors (IOD)
- Received an “A” rating in the SET ESG Ratings for the year 2025

Strategy and Operational Framework for Sustainability



Summary of Key Goals and Achievements for 2025

Corporate Governance

Indicator	Performance	Target
The corporate governance assessment score (CGR)	5 stars or "Excellent"	5 stars or "Excellent"

Customer satisfaction

Indicator	Performance	Target
Customer satisfaction*	92.44%	100%

Note: *Customer satisfaction through online channels, after service provided via the Line Chat center, is surveyed across three aspects: the staff's information provision, ease of communication, and overall service quality.

Fair treatment of employees and employee care

Indicator	Performance	Target
Zero complaints and legal actions regarding human rights violations	0	0
Employee engagement score	67%	Equal to or greater than 72%
Average training hours	48 hours/person/year	38 hours/person/year
Incidence rate of workplace accidents and fatalities	0	0

Environmental performance results

Indicator	Performance			Target
	2023	2024	2025	2025
Total weight of collected garbage (tons)	106.50	135.07	140.17	<135
Infected waste (tons)	0.042	0.019	0.033	<0.030
% of wastewater exceeding standards	0	0	0	0
Electricity consumption change compared to the baseline year of 2020.	25%	8%	15%	<16%
Water consumption change compared to the baseline year of 2020.	64%	69%	70%	<69%

In 2025, the Company's environmental performance was largely in line with its established targets in terms of total waste collected, infectious waste volume, and water consumption. The Company continuously implemented resource and waste management measures to enhance resource efficiency and control waste volumes in accordance with its defined goals. Notably, electricity consumption was maintained below the set target.