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August 13, 2026

Subject: Management Discussion and Analysis for the second quarter ended June 30, 2026

Attention: The President,

The Stock Exchange of Thailand

Indara Insurance Public Company Limited ("the Company") hereby submits its operating performance report together with the reviewed financial statements for the three-month and six-month periods ended June 30, 2026. The key highlights are summarized as follows:

Industry Overview

For the first six months of 2026, the overall non-life insurance industry recorded total direct written premiums of THB 151,327 million, representing a year-over-year growth of 3.45%. This expansion was primarily driven by increases in fire and motor insurance premiums. During this period, the Company held a 1.37% market share of total direct written premiums, ranking 19th in the industry, down from 17th in the prior year.

(Source: Thai Insurance Research and Development Co., Ltd. (TIRD))

Sustainability Performance Analysis

During the first half of 2026, Indara Insurance Public Company Limited continued its operations under sustainable development guidelines aligned with the 2023–2028 Sustainability Master Plan of Thai Group Holdings Public Company Limited. By integrating Environmental, Social, and Governance (ESG) principles into its core business strategy, the Company balances commercial growth with risk management and long-term stakeholder value creation. Multi-dimensional ESG execution has consistently driven positive impacts on revenue, operational efficiency, and overall competitiveness.

Generating Revenue from Sustainable Products and Services

The Company generated revenue from products and services supporting the transition to a low-carbon economy (Low Carbon Products and Processes). From 2023 through the end of Q2 2026, cumulative policies issued across electric vehicle (EV) and alternative energy insurance (Hybrid/xEV), alongside green insurance products (e.g., Solar Cell, Clean Energy, and Recycled Plant insurance), reached 22,148 policies. This generated total gross written premiums (GWP) of THB 445.7 million, accounting for 9.4% of total premiums.

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This performance reflects growing market demand for environmentally conscious solutions. Beyond creating a new revenue stream, it diversifies the portfolio toward high-potential long-term growth products and aligns with increasing ESG-focused investor preferences.

ESG and Financial & Insurance Inclusion

The Company prioritizes expanding financial and insurance inclusion across all demographics to build financial resilience, bridge service gaps, and capture long-term growth. Through financial and insurance literacy initiatives, the Company reached a cumulative total of 443,155 individuals from 2023 through Q2 2026—surpassing the 100,000-person target by 443%. This initiative spans the Group's life insurance, non-life insurance, corporate car rental, and lending businesses.

To expand access for vulnerable and underserved segments, the Company recorded 16,681 cumulative policies sold across Micro Insurance, Foreign Worker Insurance, and Free Personal Accident (PA) coverage.

These initiatives advance the Group's mission to build financial security while expanding into high-growth customer segments, driving product tailoring, and securing long-term premium revenue. Furthermore, literacy efforts enhance risk management skills, raising Customer Lifetime Value (CLV) and reinforcing sustainable business expansion.

Cost Management and Operational Efficiency

The Company consistently drives resource efficiency. As of Q2 2026, cumulative paper reduction across Thai Group reached 78.35% compared to the base year, exceeding the 2026 target of 50%. This significantly reduced printing and administrative costs while accelerating digital process adoption to boost operational efficiency and minimize environmental impact.

Paper reduction and digital workflows lower procurement, printing, storage, and logistics expenses, optimizing operational efficiency and positively impacting the long-term Operating Expense Ratio. Additionally, the Company actively monitors greenhouse gas emissions to guide future energy efficiency and cost-saving measures.

ESG Risk Management and Financial Impact

The Company strictly adheres to corporate governance, ethics, anti-corruption, human rights, and legal compliance through robust oversight mechanisms. In H1 2026, the Company made zero political contributions and recorded no legal disputes, fines, or non-compliance complaints regarding environmental standards, human rights, corruption, or business ethics. This proactive risk management mitigates potential litigation expenses, reputational damage, and operational disruption.

Human Capital Investment for Business Growth

Human capital remains a core competitive driver. In H1 2026, over 99.8% of employees completed training covering ethics, anti-corruption, IT security, human rights, leadership, and AI/digital technologies—totaling over 6,460 training hours. The H1 employee engagement score reached 86.64%, surpassing internal targets, which supports long-term operational execution, talent retention, and service innovation.

H2 2026 Outlook

Management expects ESG integration to remain a key growth catalyst in the second half of 2026. Priorities include scaling low-carbon products, developing market-responsive insurance solutions, and driving efficiency through technology and resource management. Concurrently, the Company will maintain high governance and risk standards to safeguard financial stability and corporate reputation over the long term.

Financial Performance for the Three-Month and Six-Month Periods

Unit : million baht

	Three-month period ended			Six-month period ended		
	30-Jun-26	30-Jun-25	Changes %	30-Jun-26	30-Jun-25	Changes %
Insurance revenue	1,351	1,366	(1.1%)	2,785	2,692	3.5%
Insurance service expenses	(881)	(2,680)	(67.1%)	(2,379)	(3,923)	(39.4%)
Net expenses from reinsurance contracts held	(401)	1,410	(128.5%)	(373)	1,286	(129.0%)
Insurance service result	**68**	**96**	**(28.7%)**	**32**	**55**	**(41.7%)**
Net investment income	23	27	(14.3%)	42	49	(15.5%)
Net insurance finance expenses	(4)	-	(100.0%)	(4)	-	(100.0%)
Other operating expenses & Finance cost	(122)	(95)	28.1%	(244)	(215)	13.6%
Other income	1	1	(11.6%)	2	2	(4.5%)
Profit (loss) before income tax	**(34)**	**28**	**(220.2%)**	**(173)**	**(109)**	**58.9%**
income tax (expense) benefit	2	8	(79.4%)	19	17	8.0%
Profit (loss) for the period	**(32)**	**36**	**(190.4%)**	**(154)**	**(92)**	**68.5%**

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Operating Results for Quarter 2/2026

Although the Company reported a net loss of THB 32 million in Q2/2026, compared with a net profit of THB 36 million in the same period last year, its core underwriting business continued to demonstrate satisfactory profitability. The Company recorded an insurance service profit of THB 68 million and maintained a Net Combined Ratio of 94.9%, which remained below 100%, reflecting overall underwriting profitability.

1. Insurance Service Revenue and Expenses

Insurance revenue for Q2/2026 amounted to THB 1,351 million, a decrease of THB 15 million or 1.1% from the same period last year. The decline was primarily attributable to the Company's underwriting portfolio optimization strategy, which emphasizes profitability and underwriting quality amid a highly competitive market environment.

Nevertheless, the Company continued to maintain solid underwriting performance, with a Net Combined Ratio of 94.9%, a deterioration of 2.0 percentage points from the same period last year, mainly due to higher claims incurred from non-motor insurance business.

Operating expenses and finance costs totaled THB 122 million, an increase of 28.1% year-on-year. The increase was primarily attributable to the unusually low expense base in Q2/2025 resulting from the reversal of expected credit loss allowances. Excluding this non-recurring item, the Company was able to reduce its normalized operating expenses by approximately 4.7%, reflecting effective cost management and strong expense discipline.

2. Net Investment Income

Net investment income for Q2/2026 amounted to THB 23 million, decreasing by 14.3% from the same period last year. The decline was mainly due to a temporary reduction in the investment portfolio resulting from liquidity management measures undertaken to support claim payments arising from natural catastrophe events in 2025.

The Company has continued to receive claim recoveries from reinsurers and expects its liquidity position, as well as its ability to generate investment returns, to gradually return to normal levels as reinsurance recoveries continue to be collected.

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Operating Performance for the Six-Month Period Ended June 30, 2026

For the first six months of 2026, the Company reported a net loss of THB 154 million, compared with a net loss of THB 92 million in the corresponding period of the previous year. The majority of these losses had already been recognized in Q1/2026 as a result of claim liabilities arising from natural catastrophe events that occurred in late 2025. Operating performance improved significantly in Q2/2026, while the remaining pressure on earnings was primarily attributable to the temporary reduction in investment income and the impact of prior catastrophe-related claims.

1. Insurance Revenue and Expenses (6-Month Cumulative)

Insurance revenue for the six-month period amounted to THB 2,785 million, an increase of THB 93 million or 3.5% from THB 2,692 million in the same period last year. The growth was driven by balanced portfolio expansion and strong policy renewal retention rates.

Insurance service expenses totaled THB 2,379 million, representing a decrease of 39.4% compared with the prior-year period, as the impact of large catastrophe claims began to subside. Meanwhile, net expenses from reinsurance contracts held amounted to THB 373 million, in line with the Company's risk-sharing strategy and the transfer of excess claim liabilities to reinsurers.

As a result, the Company maintained an insurance service profit of THB 32 million for the first six months of the year, reflecting disciplined underwriting standards and a resilient underwriting portfolio.

Operating expenses and finance costs for the six-month period totaled THB 244 million, an increase of 13.6% from THB 215 million in the same period last year. The increase was primarily attributable to the unusually low expense base in Q2/2025 following the reversal of expected credit loss allowances. On a normalized basis, the Company continued to maintain strong cost-control discipline and effective expense management.

2. Net Investment Income (6-Month Cumulative)

Net investment income for the first six months of 2026 amounted to THB 42 million, decreasing by 15.5% from THB 49 million in the same period last year. The decline was mainly attributable to the temporary reduction in the investment portfolio as the Company prioritized liquidity management and accelerated claim settlements for policyholders affected by natural catastrophe events.

The Company is currently in the process of recovering these claim payments from its international reinsurers. Upon completion of the recovery process, cash balances and investment assets are expected to gradually return to normal levels, thereby supporting the restoration of investment income generation capacity.

Financial Position

Unit : million baht

	30-Jun-26	31-Dec-25	Changes %
Assets	**6,778**	**8,251**	**(17.9%)**
Investment assets (included Cash)	2,880	3,967	(27.4%)
Reinsurance contract assets	3,471	3,876	(10.5%)
Other assets	426	407	4.7%
Liabilities	**5,368**	**6,711**	**(20.0%)**
Insurance contract liabilities	5,015	6,254	(19.8%)
Reinsurance contract liabilities	7	25	(70.1%)
Other liabilities	346	433	(20.0%)
Equity	**1,409**	**1,539**	**(8.5%)**
Issued and paid-up share capital	120	120	0.0%
Share premium	328	328	0.0%
Difference arising from business combination under common control	50	50	0.0%
Retained earnings	863	1,004	(14.0%)
Other components of equity	48	38	28.6%

Assets

As of June 30, 2026, total assets of the Company stood at THB 6,778 million, a decrease of THB 1,473 million or 17.9% compared to year-end 2025 (THB 8,251 million). Key asset movements were as follows:

- Investment Assets (including cash): Totaled THB 2,880 million, a decrease of THB 1,087 million or 27.4%, as the Company deployed liquid reserves to settle policyholder claims arising from natural disaster events.
- Reinsurance Assets: Totaled THB 3,471 million, a decrease of THB 405 million or 10.5% from year-end 2025 (and down from THB 4,197 million as recorded at Q1/2026 end), reflecting continuous claim reimbursements received from international reinsurers during Q2/2026, which progressively returned cash liquidity to the Company.
- Other Assets: Totaled THB 426 million, an increase of THB 19 million or 4.7%, in line with routine accounting accruals.

Liabilities

As of June 30, 2026, the Company's total liabilities amounted to THB 5,368 million, a decrease of THB 1,343 million, or 20.0%, from THB 6,711 million at year-end 2025. The reduction was primarily attributable to the progressive settlement of insurance claims, the recognition of insurance revenue over the coverage period, and the ongoing management of obligations under insurance contracts. As a result, the Company's balance sheet structure has become more closely aligned with the level of risk retained by the business. Key movements were as follows:

- Insurance Contract Liabilities: Decreased to THB 5,015 million, down THB 1,239 million (-19.8%), driven by ongoing claim settlements to policyholders and progressive insurance revenue recognition over coverage terms.
- Reinsurance Payables: Decreased sharply to THB 7 million, down 70.1%, reflecting strict adherence to reinsurance premium settlement schedules and strong reinsurer partnerships.
- Other Liabilities: Decreased by THB 87 million or 20.0% to THB 346 million via structured trade payable clearing.

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Shareholder's equity

As of June 30, 2026, shareholders' equity stood at THB 1,409 million, a decrease of THB 130 million or 8.5% compared to year-end 2025, primarily reflecting the cumulative six-month net loss of THB 154 million, bringing retained earnings to THB 863 million.

Conversely, other components of equity increased to THB 48 million, up 28.6%, supported by unrealized mark-to-market gains on investment assets.

Although shareholders' equity decreased due to the net loss recognized during the first half of 2026, the Company's capital position remains sound and appropriate for the scale and risk profile of its business. The Company continues to maintain its Capital Adequacy Ratio (CAR) above the minimum regulatory requirement prescribed by the Office of Insurance Commission (OIC), providing a solid foundation for ongoing operations and future business growth.

Please be informed accordingly.

Yours Sincerely,

(Miss Sirinthip Chotithamaporn)

Managing Director