6 August 2026

Subject Management Discussion and Analysis

Financial Performance for the Q2/2026 period ended June 30, 2026.

To President

The Stock Exchange of Thailand

TQR Public Company Limited ("the Company") provides Management Discussion and Analysis for the Q2/2026 period ended June 30, 2026, as follows:

<u>Service Income</u>

For the three-month period ended June 30, 2025 and 2026, the company had service income of THB 62.28 million and THB 64.73 million, respectively, service income increase by THB 2.45 million or an increase of 3.93% from the same period last year mainly from the increase in service income from Traditional Business and Alternative Business.

The company service income in 2026 consists of 3 segments as follow:

Items	The types of company business for the three-month period ended June 30,					
	2025		2026		Change	
	MB	%	MB	%	MB	%
1. Traditional Business	19.93	31.99	23.25	38.34	3.32	16.66
2. Alternative Business	41.95	67.37	41.48	61.66	(0.47)	(1.12)
3. Other Business	0.40	0.64	-	-	(0.40)	(100.00)
Total Service Income	62.28	100.00	64.73	100.00	2.45	3.93

For the three-month period ended June 30, 2025 and 2026, the company had service income from Traditional Business of THB 19.93 million and THB 23.25 million, respectively, increased by THB 3.32 million or 16.66% from the same period last year. The increase is mainly due to an increase of motor treaty reinsurance contracts.

For the three-month period ended June 30, 2025 and 2026, the services income of Alternative Business was THB 41.95 million and THB 41.48 million, respectively, decreased by THB 0.47 million or 1.12% from the same period last year. The reasons came from the non-motor reinsurance class, increased, particularly those related to Health and Personal Accident reinsurance, and and Specialty class such as Medical Malpractice reinsurance. While, the Company had decreased in reinsurance from Motor, Miscellaneous and Specialty class such as Directors' and Officers' (D&O) Liability insurance and Cyber insurance.

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

For the six-month period ended June 30, 2025 and 2026, the company had service income of THB 142.94 million and THB 146.05 million, respectively, service income increase by THB 3.11 million or an increase of 2.18% from the same period last year mainly from the increase in service income from Traditional Business and Alternative Business.

Items	The nature of the business for the six-month period ended June 30,					
	2025		2026		Change	
	MB	%	MB	%	MB	%
1. Traditional Business	45.91	32.12	54.23	37.13	8.32	18.12
2. Alternative Business	96.22	67.31	91.55	62.68	(4.67)	(4.85)
3. Other Business	0.81	0.57	0.27	0.18	(0.54)	(66.67)
Total Service Income	142.94	100.00	146.05	100.00	3.11	2.18

For the six-month period ended June 30, 2025 and 2026, the company had service income from Traditional Business of THB 45.91 million and THB 54.23 million, respectively, increased by THB 8.32 million or 18.12% from the same period last year. The increase is mainly due to an increase of motor treaty reinsurance contracts, Property reinsurance (Industrial All Risks), and Property&Engineering reinsurance treaty business.

For the six-month period ended June 30, 2025 and 2026, the services income of Alternative Business was THB 96.22 million and THB 91.55 million, respectively, decreased by THB 4.67 million or 4.85% from the same period last year. The reasons came from the non-motor reinsurance class, increased, particularly those related to Health and Personal Accident insurance, and and Specialty class such as Medical Malpractice reinsurance. While, the Company had decreased in reinsurance from Motor, Miscellaneous and Specialty class such as Directors' and Officers' (D&O) Liability reinsurance, Political violence reinsurance and Cyber reinsurance.

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

<u>Other income</u>

Other income consists of interest income, Dividend income, gain from exchange rate, Unrealized gain on investment.

For the three-month period ended June 30, 2025 and 2026, the company had other income of THB 3.03 million and THB 10.53 million, respectively. Other income increased by THB 7.50 million or 247.50% from the same period last year.

For the six-month period ended June 30, 2025 and 2026, the company had other income of THB 4.81 million and THB 15.75 million, respectively. Other income increased by THB 10.94 million or 227.78% from the same period last year. The reasons that increased for the three-month and six-month periods was came from gain from exchange rate, dividend income and unrealized 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 contribution and provident fund contribution for Client service.

For the three-month period ended June 30, 2025 and 2026, the company had cost of services of THB 15.84 million and THB 16.95 million, respectively, which was increased by THB 1.11 million or 7.00% from the same period last year.

For the six-month period ended June 30, 2025 and 2026, the company had cost of services of THB 30.79 million and THB 31.49 million, respectively, which was increased by THB 0.70 million or 2.27% from the same period last year.

Gross Profit

For the three-month period ended June 30, 2025 and 2026, the company had gross profit of THB 46.44 million and THB 47.78 million, with 74.57% gross margin and with 73.82% gross margin, respectively.

For the six-month period ended June 30, 2025 and 2026, the company had gross profit of THB 112.16 million and THB 114.56 million, with 78.46% gross margin and with 78.44% gross margin, respectively.

Selling Expenses

Selling expenses is mainly from selling expenses to expand the channel in Alternative Business. For the three-month period ended June 30, 2025 and 2026, the company had selling expenses of THB 1.35 million and THB 1.46 million, respectively, increased by THB 0.11 million or 8.08%, from the same period last year.

For the six-month period ended June 30, 2025 and 2026, the company had selling expenses of THB 2.91 million and THB 2.95 million, respectively, increased by THB 0.04 million or 1.55%, from the same period last year.

Administrative Expenses

For the three-month period ended June 30, 2025 and 2026, the company had administrative expenses THB 18.93 million and THB 19.96 million, respectively. The administrative expenses increased by THB 1.03 million or 5.42%, from the same period last year.

For the six-month period ended June 30, 2025 and 2026, the company had administrative expenses THB 39.07 million and THB 42.65 million, respectively. The administrative expenses increased by THB 3.58 million or 9.16%, from the same period last year. The reason increase mainly came from personnel expenditure and replace including training of personnel.

Other expenses

For the three-month period ended June 30, 2025, the company had other expenses were THB 3.93 million, mainly from the unrealized loss from investments, as fair value, that decreased depend on Fair Market value and unrealized loss from exchange rate. However, For the three-month period ended June 30, 2026, the company had gain from exchange rate and unrealized gain from investments from Fair value, presented in other income.

For the six-month period ended June 30, 2025 and 2026, the company had other expenses were THB 8.39 million and THB 0.81 million, respectively. The Other expenses decreased by THB 7.58 million or 90.38%, from the same period last year, mainly reasons from the unrealized loss from investments, as fair value, that decreased depend on Fair Market value and unrealized loss from exchange rate. However, For the six-month period ended June 30, 2026, the company had gain from exchange rate and unrealized gain from investments from Fair value, presented in other income. While other expenses in this period resulted from an impairment loss on intangible assets of a subsidiary.

Share of profit of associates

The company has invested in Alphasec Co., Ltd., in portion 30% as associated company,

For the three-month period ended June 30, 2025 and 2026, the company have taken equity THB 0.36 million and THB 0.88 million, respectively. The increase of THB 0.52 million or 142.38% from the same period last year.
For the six-month period ended June 30, 2025 and 2026, the company have taken equity THB 0.86 million and THB 0.43 million, respectively. The decrease of THB 0.44 million or 50.70% from the same period last year.

Income tax expenses

For the three-month period ended June 30, 2025 and 2026, the company had income tax expenses of THB 5.29 million and THB 7.80 million, respectively. The increase of THB 2.51 million or 47.31% from the same period last year.

For the six-month period ended June 30, 2025 and 2026, the company had income tax expenses of THB 13.97 million and THB 17.54 million, respectively. The increase of THB 3.57 million or 25.55% from the same period last year.

Net Profit

For the three-month period ended June 30, 2025 and 2026, the company net profit was THB 20.18 million (30.89 % of total revenues), and THB 29.88 million (39.70 % of total revenues), respectively. The increase in net profit by THB 9.70 million or 48.07% from the same period last year.

For the six-month period ended June 30, 2025 and 2026, the company net profit was THB 53.19 million (36.00 % of total revenues), and THB 66.59 million (41.16 % of total revenues), respectively. The increase in net profit by THB 13.40 million or 25.20% from the same period last year, mainly from the service income and other income increased from gain on exchange rate and gain on investment.

Yours sincerely,

- Mr. Chanaphan Piriyaphan -

(Mr. Chanaphan Piriyaphan)

Chief Executive Officer