

THRE: Management Discussion and Analysis for the Q1/2022

May 12, 2022

President

The Stock Exchange of Thailand

Operating results for Q1/2022

The impact of the COVID-19 particularly from the Omicron variant since the beginning of 2022 to date with a significant larger number of infection cases than the previous year 2021 resulted in the Company's net loss, mostly from the lump-sum payout policies, of THB 184 million in Q1/2022. However, with the expiration of the lump-sum payout policies mostly in April 2022 and the Company has conservatively reserved until expiry, the Company expects no material impact going forwards.

In contrast, net service income improved from Q4/2021 by 120% due to the increase in subsidiaries' new revenue stream from both on-line training service and from AI (Artificial Intelligent) technology in car insurance claims service that has launched since late Q4/2021 onwards.

Unit: THB Million

	Consolidated (3months)				
	Q1/2022	Q4/2021	QoQ %	Q1/2021	YoY %
Gross Written Premium	1,024	1,044	-2%	999	3%
Net Written Premium	950	978	-3%	933	2%
Reinsurance Results	(245)	(178)	-38%	36	-781%
Net Investment Income	1	11	-91%	8	-88%
Net Services Income	11	5	120%	20	-45%
Profit (loss) before Tax	(230)	(158)	-46%	64	-459%
Income Tax	47	15	213%	(11)	527%
Net Profit (Loss)	(184)	(143)	-29%	53	-447%

	31 Mar 2022	31 Dec 2021	Δ%
Total Assets	7,453	7,113	5%
Total Liabilities	4,267	3,868	10%
Shareholders' Equity	3,186	3,245	-2%

Q1/2022 Operating Results:

1. Reinsurance Results

Gross written premium grew 3% continually comparing to last year Q1/2021 and close to Q4/2021 due to growing in both personal line and commercial line as expected.

Reinsurance results still posted a loss of THB 245 million due to the impact of omicron infection that has been spreading in early 2022 until the expiration of the lump-sum payout policies mostly by April 2022.

Without COVID-19 impact mostly from the lump-sum payout policies, reinsurance results would turnaround to be a profit of THB 87 million which would be growing from last year Q1/2021 the profit of THB 36 million or growing 142%. The upside operative performance came from improved personal line and commercial line insurance results.

2. Net Investment Income

Net investment income of THB 1 million decreased 91% from Q4/2021 and down 88% from Q1/2021 due mainly to a loss from fair value adjustment of investments in Q1/2022 of THB 6 million. It was caused by the volatility of both domestic and international stock markets as a result of the Russia-Ukraine war and pressure from the US Federal Reserve's interest rate rising.

3. Net Services Income

Net service income THB 11 million improved 120% from Q4/2021 due to the increase in subsidiaries' service income of 3% from Q4/2021 as a result of new revenue stream from both on-line training service and AI (Artificial Intelligent) technology in car insurance claims service that has launched since late Q4/2021 onwards. Comparing to Q1/2021 it was down THB 9 million due mostly to expenses in group restructuring and preparation for listing in the Market for Alternative Investment Stock Exchange (mai) that has started the process since mid 2021 onwards.

Please be informed accordingly.

Yours sincerely,

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