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## Letter to Shareholders

Dear Shareholders:

In 2023, which saw 3.5% growth in Thai non-life insurance business, Thai Re could record a surge of 21% in our net written premium. Here are the factors driving our growth at a considerably faster pace than the market:

- By aligning our strategies with the hard market trend, we could expand our commercial line and achieve favorable results as projected.
- Consumers have placed greater importance on health insurance after the COVID-19.
- The overseas markets, particularly in the CLMV, expanded dramatically by 184%.
- The newly launched personal line products also experienced strong growth in both domestic and overseas reinsurance.

Our operating results 2023 remarkably improved after the COVID-19 impact gradually expired in the first half of the year. We posted a net profit of THB 231 million, with THB 210 million profit attributable to the Company, representing a buoyant growth rate of 219% and 208% respectively.

With an expected hard market trend prolong in 2024, the Company will continue its underwriting strategy as in 2023. However, anticipating a challenge facing health insurance with medical inflation constantly on the rise, we will exercise greater caution in health reinsurance towards reasonable premium rates.

Our 2023 operating performance, by business line, can be summarized as follows:

### Reinsurance

The Company recorded gross written premium of THB 4,903 million and net written premium of THB 4,654 million, going up by 17% and 21% year-on-year respectively. Factor contributing to such growth was the expansion in both personal line and commercial line, driven by the alignment of our strategies with the post-COVID-19 situation and the hard market trend, which enabled us to expand our markets local and abroad. We could generate an underwriting profit of THB 124 million (with a combined ratio of 96.8%), a turnaround from the previous year's loss of THB 330 million.

### Service Income

In February 2023, we successfully listed our subsidiary, BlueVenture Group Public Company Limited (formerly EMCS Thai Co., Ltd.) ("BVG"), on the Market for Alternative Investment (mai). After listing, BVG, along with Thai Re, has instantly driven the business plan through the established action plan both domestically and overseas, resulting in a big leap in our performance.

Net service income went up by 25% year-on-year to THB 66 million in 2023 as a result of ongoing growth in services post COVID-19. Both motor and health claims saw a constant increase, while the new services using AI technology for motor claims could also grow as planned.

#### Investment Income

Net investment income was recorded at THB 64 million, rising by 45% year-on-year due to an increase in interest and dividend income of 25%. Meanwhile, loss from fair value adjustment declined by 50%. Amid stock market volatility and interest rate rising trend, we adjusted our investment portfolio by increasing deposits and bonds, which have currently exceeded 70%. As such, loss from fair value adjustment has gradually lowered while interest income has gone up.

Our capital strength, the Company's capital adequacy ratio (CAR) as of Q3/2023 stood at 338%, substantially above the OIC's minimum requirement of 140%. The Company could also maintain a high international credit rating at "A-" or "Strong" with a stable outlook, as assigned by Fitch Rating, which demonstrated THREE Group's solid financial position.

#### Moving Forward

In 2024, the non-life reinsurance industry will continue to experience a hard market along with more frequent and severe natural disasters. For Thailand, though driven by market mechanism with premium rising, our country's exposure to natural disaster risk remains unchanged. This would benefit the Company to capture a larger market share together with favorable performance. However, to prevent any volatility risk, we will continue our strategy to develop new insurance products that has no or less natural disasters affected for both domestic and overseas markets.

Southeast Asia will become the Company's most important market in 2024. Our premium income earned from this region accounted for roughly 4% in 2023 and is anticipated to grow consistently over the next three years, towards the 8% - 10% target by 2026.

Similarly, our service business has seen favorable growth from the current business, new markets, and use of technology. For future growth, we will continue to put emphasis on exploring new technology and foreign markets.

In 2024, we have redefined our core value to reflect the fast-changing circumstances and resonate with our strategy, as follows:

T-Technology: Technology, tools and resources with the utmost benefit for work

H-Harmony: Harmony of efforts and coworking towards a common goal

A-Active: Active work with a commitment to attaining success

I-Innovation: Innovation and creativity

R-Reinsurance Expertise: Expertise in reinsurance with business perspective

E-Expression: Expression with assertive and efficient communication

We believe, indeed, that such core value will lead our organization towards a sustainable success in the future.

With our ongoing commitment to the environmental, social, and governance (ESG) promotion policy in 2024, we have expanded the role of Risk Management Committee to oversee the Company's sustainability-related matters in the new name "Enterprise Risk Management and Sustainability Committee" to ensure smooth and efficient operation of all ESG-related activities.

Finally, I would like to express my gratitude to all concerned parties for your ongoing support rendered to the Company. I truly trust that we will build a strong organization that can serve the shareholders and society on a sustainable basis.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'O' followed by a series of loops and a horizontal line at the end.

(Mr. Oran Vongsuraphichet)

Chief Executive Officer