

(Translations)

Date: May 11, 2022

Subject: Submission of Financial Statements ended March 31, 2022 and Management Discussion and Analysis comparing with the previous year.

To: Director and Manager of the Stock Exchange of Thailand

Cc: Secretary General of the Office of Securities and Exchange Commission

Thai Optical Group Public Company Limited (the “Company”) is pleased to submit the Company’s operating results report of year 2022 as follows:

1. Financial Statements for 3 month ended as of March 31, 2022 the Company and its subsidiaries.
2. Management Discussion and Analysis (MD&A) for the first Quarter ended March 31, 2022.
3. Summarized operating results for the year of the Company and its subsidiaries (F45-3).

Remark: Disclosure both in Thai and English Versions.

For your acknowledgement and please disseminate to investors accordingly.

Yours Sincerely,
Thai Optical Group PCL.

(Mr.Torn Prachartam)
Chief Executive Officer

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Thai Optical Group Public Company Limited

Management Discussion and Analysis (MD&A)

Operating Results for the first Quarter ended March 31, 2022

COVID-19 Pandemic

Overview of the world economy The Global economy continues to slow recovery due to the epidemic of the Omicron strain of COVID-19 that has occurred since the 4th quarter of 2021, many countries have had to resume epidemic control measures. However, from the experience of dealing with COVID-19 the previous pandemic resulted in more easing of control measures. As a result, the impact on the economy was lower than the previous year. Overall, the epidemic of the Omicron strain reached its peak in the first quarter, as countries gradually began to adjust their coexistence with COVID-19 as an endemic disease. Especially the United States and the European region can return to open the country to carry out business activities and be able to carry out almost normal daily life. In Asia, the situation remains fragile. Many countries also have high rates of infection and use different management measures as appropriate for each country. But in china especially in key economic and manufacturing bases such as Shenzhen, Shanghai and other major cities, it continues to implement Zero COVID Policy and announce lockdowns in those areas. This will increase the pressure on the disruption of global supply chains for a long time.

Another unexpected circumstances that has taken place since February continues until now, and it remains unpredictable when it will end. It was a war between Russia and Ukraine, which greatly hinders the recovery of the global economy and was affected in 4 matters as follows: 1) Commodity prices rose sharply, especially in the energy and agriculture sectors. This is because Russia and Ukraine are the world's major industrial sources for metals, grains and agricultural raw materials. 2) Prolonged supply bottlenecks. 3) World trade slowdown, although the proportion of trade between Russia and Ukraine is small, but if the war continues and the sanctions cover energy trade it will affect global trade and the economy more and more severely. And 4) Tight financial conditions, including inflation from volatility and capital outflows to safe haven asset.

Although the epidemic situation covid-19 of the omicron species is beginning to unfold more in many countries, but still affects the cost of the Group's business activities such as the cost of testing kits and the cost of screening for COVID-19 Expenses, the costs associated with restructuring and business activities and expenses related to working via remote systems, etc.. Including the impact of trade on global supply and demand from the ongoing war between Russia and Ukraine. As a result, The Group's management has closely monitored the progress of the situation and assessed the financial impact in respect of the valuation of assets and contingent liabilities, and will record the impact further.

Consolidated Financial Performance

In Q1/2022, The Company and its subsidiaries had earned total revenues 662 million Baht, which was increased by 55 million Baht or 9% from the same period prior year. The net profit for the period was 76 million Baht, which was decreased by 20 million Baht or 21% from previous year.

The increased of total revenues as such mainly derived from the global economic recovery in the major economies mentioned above. In Quarter 1/2022, regions with increased sales revenue include Africa and the Middle East 149 percent, Americas 30 percent, Australia 22 percent, Europe 2 percent and decreased in Asia and Pacific 14 percent

Consolidated Financial Statements	(Unit: million Baht)	Q1/2022	Q1/2021
Total revenues		662	607
Net Profit (Loss)		76	96
The effect from Gain / (Loss) on foreign exchange rate		7	20

Operating Results Analysis

1. Revenues and Expenses of the Company and its subsidiaries

1.1 Revenue from sales and services

In Q1/2022, The Company and its subsidiaries had earned total revenues from sales and services of 650 million Baht which was increased by 69 million Baht or 12% from previous year, which derived from Rx/Prescription Lenses 52 million Baht, and Standard Organic Lenses 9 million Baht.

The Revenue by Product Groups are as follows:

Revenue by Product Groups	Manufacturer	Q1/2022	Q1/2021
1. Standard Organic Lenses	The Company and its subsidiaries.	25	27
2. Value-added Lenses *	The Company	29	34
3. Rx/Prescription Lenses	The Subsidiary Company	37	32
4. Mineral Lenses/Other Products and Services	The Company and its subsidiaries.	9	7
Total		100	100

Note: * Value-added Lenses are consisted of Hi-index Lens, Photochromic Lens and High Impact Resistance Lens.

1.2 Cost of Goods Sold

In Q1/2022, the Company and its subsidiaries had ratio of cost of goods sold to revenue from sales and services at 79% higher than prior year 4%.

The main reason for the increase above was due to lower production volume compared to the previous year. This is because in the first quarter of 2021, production volumes exceeded normal levels due to the fact that many countries began to recover from the first wave of the Covid-19 pandemic and received a large number of orders during that period. As a result, the ratio of cost of goods sold to revenue is lower than this year.

1.3 Selling and Administrative Expenses

In Q1/2022, the Company and its subsidiaries had selling and administrative expenses 74 million Baht, increased from prior year by 8 million Baht.

The main reason for the increase above was due to the increase in sales-related expenses such as sales support, etc., which was in line with increased sales activities.

1.4 Other Revenues

In Q1/2022, the Company and its subsidiaries had other revenues 11 million Baht, decreased by 14 million Baht, mainly due to the decrease in gain of exchange rate.

1.5 Net Profit

In Q1/2022, the Company and its subsidiaries had net profit 76 million Baht which decreased by 20 million Baht or 21% from prior year.

The main reason for the decrease in net profit came from an increase in cost of goods and selling and administrative expenses as mentioned above.

2. Financial Status

The Company and its subsidiaries had total assets of 3,014 million Baht which increased by 126 million Baht from 2021, as details described below;

Current assets increased by 152.97 million Baht from the following changes;

- Cash and cash equivalents increased by 192.23 million Baht, this was mainly due to short term loans from banks and payments from trade and other receivables.
- Trade and other receivables decreased by 39.91 million Baht, the main reason was from trade accounts receivable related parties 8.67 million Baht and trade accounts receivable unrelated parties 31.60 million Baht (More details as shown in note to financial statements no.3).

Non-current assets decreased by 26.66 million Baht from the following changes;

- Land, building and net equipment decreased by 29.16 million Baht.
- Deferred tax assets increased by 4.07 million Baht.

The company and its subsidiaries had total Liabilities of 980 million Baht, increased by 49 million Baht from 2021, as details described below;

Current liabilities increased by 56.99 million Baht from the following changes;

- Short-term loan from bank increased by 50 million Baht.
- Trade payable and other accounts payable increased by 5.85 million Baht, this was mainly due to an increase in other accounts payable 7.61 million Baht and decrease in trade accounts payable 1.77 million Baht (More details as shown in note to financial statements no.10).

Non-current liabilities decreased by 8.06 million Baht with details as follows;

- Long-term loans from banks - net of current portion decreased by 9.57 million Baht.

The company and its subsidiaries had Shareholders' equity of 2,034 million Baht which was increased from the amount of 2021 by 77.34 million Baht.

3. Cash Flow

Cash earned (used) as of March 31, 2022 comparing to prior year.

(Unit: million Baht)

Items	Q1/2022	Q1/2021	Amount change	% change
Cash earned (used) in operating activities:	174.05	129.59	44.46	34.3
Cash earned (used) in investment activities:	(17.88)	(37.80)	19.92	52.7
Cash earned (used) in financing activities:	36.06	(55.13)	91.19	165.4
Net cash Increased /(Decreased)	192.23	36.66	155.57	424.4

Net cash earned from operating activities as of March 31, 2022 was 174.05 million Baht, increased by 44.46 million Baht from previous year, this was mainly due to the increase in inventories at a lower level than the previous year..

Net cash used in investment activities as of March 31, 2022 was 17.88 million Baht, decreased by 19.92 million Baht from previous year, this was due to a decrease in the purchase of machines and equipment.

Net cash used in financing activities as of March 31, 2021 was 36.06 million Baht, increased by 91.19 million Baht from previous year, this was due to an increase in short-term loans from banks.

4. Financial Ratios Analysis

Financial Ratios			Year 2022	Year 2021
Profitability Ratio				
Gross Profit Margin	GP	%	21.47	22.35
Net Profit Margin	NP	%	11.82	13.15
Efficiency Operating Ratio				
Return on Equity	ROE	%	14.75	16.48
Return on Asset	ROA	%	10.50	12.02
Average Collection Period	ACP	Days	53.52	60.92
Average Age of Inventory	AAI	Days	198.71	195.04
Average Accounts Payable	APP	Days	36.59	34.10
Liquidity Ratio				
Debt to Equity ratio	D/E ratio	Times	0.48	0.48