

(Translations)

Date: May 8, 2024

Subject: Submission of Financial Statements ended March 31, 2024 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 2024 as follows:

1. Financial Statements for 3 months ended as of March 31, 2024 the Company and its subsidiaries.
2. Management Discussion and Analysis (MD&A) for the first Quarter ended March 31, 2024.
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, 2024

Overview of the world economy: Although in Q1/2024, the world economy and trade improved better than the previous quarter. But overall growth is still not very high and may stagnate (stagnation) in the first half of the year. Due to risks from many factors, including rising inflation and interest rates. Including geopolitical conflicts in various regions, such as the war between Israel-Hamas. War between Russia-Ukraine and strategic competition between China-the United States. and the China-Taiwan conflict If such conflicts intensify, it will have a significant impact on the supply chain. Global geopolitical problems have resulted in changing patterns of interdependence in international trade. Countries that take a neutral stance will benefit from greater economic polarization. Overall, the U.S. economy is trending positively, and the risk of recession has decreased. This is reflected in the increased number of jobs. The manufacturing sector expanded, and consumer confidence increased. As for the Eurozone passed the worst in Q4/2023 and began to recover slowly in 2024, reflecting a decline in the energy crisis. Slowing inflation and disruptions in supply chains are beginning to be resolved. In China, production, investment and exports overall improved. This is partly due to the government's continuous economic stimulus measures. Meanwhile, the service sector remained the main driver of China's economy in the first quarter. However, in addition to the reasons mentioned above, in 2024 the global economy may face uncertainty from elections in more than 60 countries around the world. Its total economy is more than 60% and covers more than 50% of the world's population. Many elections have a major impact on the global economy and geopolitics. Especially the US presidential election. This may result in more stringent trade protectionist policies.

In addition to the global economic situation that affects the costs of the Group's business activities, there are other risk factors. that may have an increased impact Especially the fluctuations in foreign currency exchange rates. Prices of raw materials may increase due to inflation. The minimum wage tends to increase according to government policy. All of which have an impact on the Company's costs. 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 Q1/2024, The Company and its subsidiaries earned total revenues 889 million Baht, which was increased by 167 million Baht or 23% from the prior year. The net profit for the period was 112 million Baht, which was decreased by 1 million Baht or 1% from the same quarter of the previous year as detailed in the table below.

Consolidated Financial Statements	(Unit: million Baht)	Q1/2024	Q1/2023
Total revenues		889	722
Cost of sales and service		676	504
Selling and Administrative Expenses		80	85
Net Profit (Loss)		112	113

Sales revenue by region compared to the same quarter of the previous year. There are changes as follows. The Americas region increased 41 percent, Asia and Pacific region increased 37 percent, Africa and Middle East region increased 146 percent, Europe region increased 1 percent, while Australia the region decreased by 4 percent.

The ratio of cost of sales and services to sales and service income increased from the same quarter of the previous year. As for sales and administrative expenses, they decreased due to changes in sales support conditions.

Operating Results Analysis

1. Revenues and Expenses of the Company and its subsidiaries

1.1 Revenue from sales and services

In Q1/2024, The Company and its subsidiaries had earned total revenues from sales and services of 845 million Baht which was increased by 125 million Baht or 17% from previous year, The main factor of the increase from Rx/Prescription Lenses 103 million Baht, Standard Organic Lenses 9 million Baht, Value-added Lenses 8 million Baht and Mineral Lenses/Other Products and Services 4 million Baht.

The Revenue by Product Groups are as follows:

Revenue by Product Groups	Manufacturer	Q1/2024	Q1/2023
1. Standard Organic Lenses	The Company and its subsidiaries.	22	25
2. Value-added Lenses *	The Company	25	28
3. Rx/Prescription Lenses	The Subsidiary Company	45	38
4. Mineral Lenses/Other Products and Services	The Company and its subsidiaries.	8	9
Total		100	100

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

1.2 Cost of Goods Sold

In Q1/2024, the Company and its subsidiaries had ratio of cost of goods sold to revenue from sales and services at 80%, a slight increase of 10% from the previous year, this is due to the increase in raw material prices and production overheads. Including depreciation from replacement machinery and additional investment compared to the same quarter of the previous year.

1.3 Selling and Administrative Expenses

In Q1/2024, the Company and its subsidiaries had selling and administrative expenses of 80 million Baht, a decrease from the same quarter of the previous year by 5 million Baht. The main reason for the above decrease was due to lower sales-related expenses. Due to changes in sales support conditions together with managing expenses to be more efficient.

1.4 Other Revenues

In Q1/2024, the Company and its subsidiaries had other revenues of 45 million Baht, an increase of 53 million Baht from the same quarter of the previous year, mainly due to the increase in gain on exchange rate 43 million Baht.

1.5 Net Profit

In Q1/2024, the Company and its subsidiaries had net profit 112 million Baht which decreased by 1 million Baht or 1% from the same quarter of the previous year.

2. Financial Status

The Company and its subsidiaries had total assets of 4,180 million Baht which increased by 133 million Baht from 2023, with details of significant increases and decreases as follows:

Current assets increased by 142.68 million Baht from the following changes:

- Cash and cash equivalents increased by 110.21 million Baht.
- Net inventories increased by 49.46 million Baht, mainly due to an increase in goods in transit 57.10 million Baht, finished goods 14.63 million Baht, work in process 8.89 million Baht, while Raw materials decreased by 33.01 million Baht.
- Trade and other receivables decreased by 13.44 million Baht, the main reason was from trade accounts receivable related parties decreased by 23.89 million Baht and trade accounts receivable unrelated parties increased by 10.02 million Baht (More details as shown in note to financial statements no.3).

Non-current assets decreased by 9.42 million Baht from the following changes:

- Land, building and net equipment decreased by 21.45 million Baht.
- Deferred tax assets increased by 8.11 million Baht.
- Right-of-use assets increased by 4.0 million Baht.

The company and its subsidiaries had total Liabilities of 1,834 million Baht, increased by 25 million Baht from 2023, as details described below:

Current liabilities increased by 36.70 million Baht from the following changes:

- Trade payable and other accounts payable increased by 20.77 million Baht, this was mainly due to an increased in other accounts payable-unrelated parties 9.80 million Baht increased in accrued expenses 7.97 million Baht and increased in Trade accounts payable - unrelated parties 3.23 million Baht (More details as shown in note to financial statements no.10).
- Income tax payable increased by 16.82 million Baht.

Non-current liabilities decreased by 11.33 million Baht with details as follows:

- Long-term loans from banks - net of current portion decreased by 17.57 million Baht.
- Lease liabilities - net of current portion increased by 2.79 million Baht.
- Provision for long-term employee benefits increased by 3.45 million Baht.

The company and its subsidiaries had Shareholders' equity in 2024 in the amount of 2,346 million Baht which was increased from the amount of 2023 by 107.90 million Baht.

3. Cash Flow

Cash earned (used) as of March 31, 2024 comparing to prior year.

(Unit: million Baht)

Items	Q1/2024	Q1/2023	Amount change	% change
Cash earned (used) in operating activities:	160.95	53.03	(107.92)	203.5
Cash earned (used) in investment activities:	(21.70)	(192.23)	170.53	88.7
Cash earned (used) in financing activities:	(29.04)	125.06	154.10	123.2
Net cash Increased /(Decreased)	110.21	(14.14)	124.35	879.4

Net cash earned from operating activities as of March 31, 2024 was 160.95 million Baht, an increase of 107.92 million Baht from the previous year, The main reason is the performance as mentioned above.

Net cash used in investment activities as of March 31, 2024 was 21.70 million Baht, an decreased of 170.53 million Baht from the previous year. The main reason is from purchasing machinery used in production.

Net cash used in financing activities as of March 31, 2024 was 29.04 million Baht, an increase of 154.10 million Baht from previous year, this was mainly due to cash from long-term loans from banks.

4. Financial Ratios Analysis

Financial Ratios			Year 2023	Year 2022
Profitability Ratio				
Gross Profit Margin	GP	%	20.49	24.64
Net Profit Margin	NP	%	13.37	14.39
Efficiency Operating Ratio				
Return on Equity	ROE	%	18.52	19.56
Return on Asset	ROA	%	12.14	13.36
Average Collection Period	ACP	Days	58.58	59.91
Average Age of Inventory	AAI	Days	248.32	246.67
Average Accounts Payable	APP	Days	42.50	45.52
Liquidity Ratio				
Debt to Equity ratio	D/E ratio	Times	0.78	0.81