(Translations)

Date: November 13, 2024

Subject: Submission of Financial Statements of the third Quarter and the nine-month periods ended September 30, 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 and 9 months ended September 30, 2024 the Company and its subsidiaries.
2. Management Discussion and Analysis (MD&A) for the nine-month periods ended September 30, 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.

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(Mr.Torn Pracharktam)
Chief Executive Officer

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Thai Optical Group Public Company Limited

Management Discussion and Analysis (MD&A)

Operating Results for the third Quarter ended September 30, 2024

Global Economic Overview: In Q3, the global economy continues to face ongoing challenges due to multiple factors. Notably, the conflict in middle east region has caused volatility in energy markets, leading to uncertainty in oil prices. Additionally, economic forecasts indicate a slowdown in growth across several regions, particularly in Europe and China. Moreover, high inflation rates in many countries have prompted central banks worldwide to maintain stringent monetary policies, impacting global trade, investment, and consumer confidence. The global economic growth outlook for 2024 is expected to decrease, which will have both direct and indirect effects on the company's business operations.

Thai Economic Overview: The Thai economy in Q3 faced numerous challenges, including continued weakness in exports and slower-than-expected recovery in the tourism sector. Although the number of tourists from various countries increased slightly during this quarter, Thailand's economy is still projected to grow by only 2.6% in 2024, as previously forecasted. Recovery is further hindered by risks associated with monetary and fiscal policies, as well as limitations in the labor market's ability to adapt. These challenges are impacting on the company's operations in multiple areas.

Key Risks to the Company's Business:

1. Geopolitical Tensions: Escalating geopolitical conflicts are disrupting global supply chains and production, particularly in terms of raw materials and exports.

2. High Inflation: Rising costs of raw materials, labor, and logistics continue to pressure production costs. The company faces ongoing challenges in maintaining profit margins amid these elevated costs.

3. Exchange Rates: During August and September, the Thai baht appreciated sharply against the US dollar, directly affecting the company's sales, as a majority of transactions are conducted in USD. The stronger baht has reduced the company's export revenues when converted back to Thai baht, which in turn impacts profits. Additionally, the volatility in exchange rates during this period has increased uncertainty in forecasting revenue and managing financial risk.

4. Tight Global Monetary Policies: High interest rates remain a challenge, increasing financial costs, which could affect the company's long-term investment plans.

5. Labor Market and Production Reliance: Intense competition in labor markets, particularly in regions reliant on production, is prompting the company to focus on automation to reduce labor dependency.

Company's Strategic Response to Risks: To address these economic challenges, the company's management has implemented several strategies to control costs and improve operational efficiency. This includes expanding into international markets, developing innovative products, and adopting automated production technologies to reduce labor costs and improve production efficiency. Additionally, the company employs various financial instruments to mitigate the impact of exchange rate fluctuations and manage currency risks effectively.

Sustainability Commitment: The company's management is committed to sustainable business development, considering the impact on all stakeholders. The company believes that responsible business practices toward society and the environment will create long-term value for the company and all stakeholders. Furthermore, strategies to manage economic and exchange rate risks, alongside improvements in production processes and product development tailored to market needs, will strengthen the company's position in the long term.

Consolidated Financial Performance

In Q3/2024, The Company and its subsidiaries had earned total revenues 869 million Baht, which was decreased by 74 million Baht or 9% from previous year. The net profit for the period was 68 million Baht, which was decreased by 38 million Baht or 36% from the previous year.

For the nine-month period 2024, The Company and its subsidiaries had earned total revenues 2,674 million Baht, which was increased by 489 million Baht or 29% from the same period prior year. The net profit for the period was 298 million Baht, which was decreased by 38 million Baht or 11% from the previous year as detailed in the table below.

Consolidated Financial Statements (Unit: million Baht)	**Q3/2024**	**Q3/2023**	**9M/2024**	**9M/2023**
Total revenues	869	795	2,674	2,185
Cost of sales and service	661	608	2,055	1,599
Selling and Administrative Expenses	123	61	252	204
Net Profit (Loss)	68	106	298	336

For the nine-month period 2024, Sales revenue increased in all regions with the Americas increased by 104 percent, Canada increased by 33 percent, Africa and the Middle East increased by 52 percent, Europe increased by 27 percent, Asia and Pacific increased by 26 percent and increased in Australia increased by 15 percent. As for the cost of sales and services, the proportion to revenue from sales and services increased from the previous year, mainly due to higher raw material prices and production overhead costs, as well as depreciation from replacement machinery and additional investment. In terms of selling and administrative expenses, the increase was mainly due to oversea warehouse service expenses, import expenses, and travel expenses.

Operating Results Analysis

1. Revenues and Expenses of the Company and its subsidiaries

1.1 Revenue from sales and services

In Q3/2024, The Company and its subsidiaries had earned total revenues from sales and services of 858 million Baht which was increased by 77 million Baht or 10% from previous year, which mainly from Rx/Prescription Lenses in approximate amount of 90 million Baht.

For the nine-month period 2024, The Company and its subsidiaries had earned total revenues from sales and services of 2,647 million Baht which was increased by 485 million Baht or 22% from previous year, mainly from Rx/Prescription Lenses in approximate amount of 333 million Baht.

The Revenue by Product Groups are as follows:

Revenue by Product Groups	**Manufacturer**	**Q3/2024**	**Q3/2023**	**9M/2024**	**9M/2023**
1. Standard Organic Lenses	The Company and its subsidiaries.	24	25	23	27
2. Value-added Lenses *	The Company	23	30	25	28
3. Rx/Prescription Lenses	The Subsidiary Company	45	37	44	36
4. Mineral Lenses/Other Products and Services	The Company and its subsidiaries.	8	8	8	9
Total		**100**	**100**	**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 Q3/2024, the Company and its subsidiaries had ratio of cost of goods sold to revenue from sales and services at 77% higher than prior year 1%.

For the nine-month period 2024, the Company and its subsidiaries had ratio of cost of goods sold to revenue from sales and services at 78% higher than prior year 4%.

The main reasons were higher raw material prices and production costs, as well as depreciation from machinery replacement and additional investment, resulting in higher product costs compared to the previous year.

1.3 Selling and Administrative Expenses

In Q3/2024, the Company and its subsidiaries had selling and administrative expenses 123 million Baht, a increase from the previous year by 61 million Baht.

For the nine-month period 2024, the Company and its subsidiaries had selling and administrative expenses 252 million Baht, an increase from the prior year by 48 million Baht.

The main reasons for the above increase are due to oversea warehouse service expenses, import expenses, travel expenses and unrealized loss on exchange rate.

1.4 Other Revenues

In Q3/2024, the Company and its subsidiaries had other revenues 12 million Baht, decreased by 3 million Baht from the previous year, because in 2023 has gain on exchange rate.

For the nine-month period 2024, the Company and its subsidiaries had other revenues 27 million Baht, increased by 5 million Baht from the previous year, mainly due to the increase in revenue from sales support by the company's main supplier from purchasing volume increasing.

1.5 Net Profit

In Q3/2024, the Company and its subsidiaries had net profit 68 million Baht which decreased by 39 million Baht or 36% from the previous year.

For the nine-month period 2024, the Company and its subsidiaries had net profit 298 million Baht which decreased by 38 million Baht or 1% from the prior year.

2. Financial Status

The Company and its subsidiaries had total assets of 4,383 million Baht which increased by 346 million Baht from 2023, with details of significant increases and decreases as follows;

Current assets increased by 101 million Baht from the following changes;

- Cash and cash equivalents increased by 56 million Baht.
- Net inventories increased by 107 million Baht, the mainly due to an increase in finished goods 65.96 million Baht, goods in transit increased for 30.93 million Baht, Raw materials 17.12 million Baht, Spare parts and factory supplies increased for 11.40 million, Work in process increased for 10.09 million Baht, Baht and increased from inventory obsolete 31.47 million Baht.
- Trade and other receivables decreased by 79 million Baht, the main reason was from trade accounts receivable related parties decreased by 61.98 million Baht and trade accounts receivable unrelated parties decreased by 22.77 million Baht the mainly due to Thai Baht had appreciated. This causes unrealized losses from foreign exchange in trade and other receivables.

Non-current assets increased by 245 million Baht from the following changes;

- Land, building and net equipment increased by 202 million Baht.
- Intangible assets increased by 29 million Baht.
- Deferred tax assets increased by 11 million Baht.

The company and its subsidiaries had total Liabilities of 2,168 million Baht, increased by 358 million Baht from 2023, as details described below;

Current liabilities increased by 188 million Baht from the following changes;

- Short-term loans from banks increased 145 million Baht.
- Trade payable and other accounts payable increased by 33 million Baht, this was mainly due to an increase in accrued expenses 47.56 million Baht, other accounts payable-assets 18.71 million Baht and other accounts payable-unrelated parties has decreased 32.49 million Baht.
- Income tax payable increased 14 million Baht.

Non-current liabilities increased by 170 million Baht with details as follows;

- Long-term loans from banks increases by 157 million Baht.
- Provision for long-term employee benefits increased by 6 million Baht.

The company and its subsidiaries had Shareholders' equity in 2024 in the amount of 2,226 million Baht which was increased from the amount of 2023 by 12 million Baht.

3. Cash Flow

Cash earned (used) as of September 30, 2024 comparing to prior year. (Unit: million Baht)

Items	**9M/2024**	**9M/2023**	**Amount change**	**% change**
Cash earned (used) in operating activities:	462.26	255.55	206.71	80.9
Cash earned (used) in investment activities:	(365.46)	(662.56)	297.10	44.8
Cash earned (used) in financing activities:	(39.74)	362.56	(492.26)	(111.0)
Net cash Increased /(Decreased)	**57.06**	**(44.49)**	**101.55**	**228.3**

Net cash earned from operating activities as of September 30, 2024 was 462.26 million Baht, an increase by 206.71 million Baht from previous year, the primary reasons include a slower increase in inventory compared to the previous year due to effective inventory management, and a reduction in trade receivables, which has decreased more than last year due to improved management of customer payment collections.

Net cash used in investment activities as of September 30, 2024 was 365.46 million Baht, decreased by 297.10 million Baht from previous year, there was from an decrease in purchases of automatic machinery and equipment for Rx/Prescription Lenses supporting capacity expansion to serve customer's demand.

Net cash used in financing activities as of September 30, 2024 was 39.74 million Baht, an decrease by 492.26 million Baht from previous year, the primary reason is that last year, the company received a loan from the bank for working capital, while in 2024, loan repayments to the bank have been gradually made on the previous year's borrowings.

4. Financial Ratios Analysis

Financial Ratios			**Year 2024**	**Year 2023**
Profitability Ratio				
Gross Profit Margin	GP	%	22.61	24.64
Net Profit Margin	NP	%	11.37	14.39
Efficiency Operating Ratio				
Return on Equity	ROE	%	17.39	19.56
Return on Asset	ROA	%	11.26	13.36
Average Collection Period	ACP	Days	49.07	59.91
Average Age of Inventory	AAI	Days	225.20	246.67
Average Accounts Payable	APP	Days	49.02	45.52
Liquidity Ratio				
Debt to Equity ratio	D/E ratio	Times	0.97	0.81