(Translations)

Date: February 28, 2025

Subject: Submission of Financial Statements ended 31 December 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 ended December 31, 2024 the Company and its subsidiaries.
2. Management Discussion and Analysis (MD&A) for year ended December 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.

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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 year ended December 31, 2024

Global Economic Overview

In Q4 2024, the global economy continues to face multiple challenges, despite signs of recovery in some regions. Developed economies are expected to slow down, which may impact emerging markets and Asia over the next 3–6 months. Additionally, the Federal Reserve's anticipated monetary policy easing in 2025 remains highly uncertain. The economic policies under President Trump 2.0 pose risks to global trade and investment, potentially affecting overall economic stability.

Thailand's Economic Overview

Thailand's economy in Q4 2024 has improved compared to the previous quarter, supported by a rebound in the service and tourism sectors, as well as continued public investment expansion. However, private consumption remains stagnant due to weak purchasing power and high household debt levels. Meanwhile, exports remain steady, with the technology sector playing a key role in export growth.

Key Risks to the Company's Business

- **Geopolitical Conflicts:** Rising global tensions and potential policy shifts under President Trump 2.0 may disrupt global supply chains, trade, and investment flows.
- **Inflation and Monetary Policy:** In December 2024, the U.S. Federal Reserve (Fed) cut its policy interest rate by 0.25% to support its goals of employment and price stability. However, uncertainty remains high due to factors such as fiscal policies, trade, immigration, and regulations, which could impact inflation rates and the company's production costs.
- **Exchange Rate Volatility:** The Thai baht continues to fluctuate against the U.S. dollar, directly impacting the company's revenue, as most transactions are conducted in U.S. dollars.
- **Labor Market and Manufacturing Dependency:** A highly competitive labor market has prompted the company to focus on automation to reduce labor dependency.

Company Strategies to Mitigate Risks

The company focuses on market diversification and expanding its customer base to reduce reliance on primary markets. Additionally, it actively manages foreign exchange risk by using financial instruments to stabilize revenue. Investments in technology and automation have been accelerated to enhance efficiency, reduce costs, and strengthen supply chain resilience. The company is also optimizing procurement management, alongside research and development, to reduce raw material costs and improve manufacturing efficiency.

Commitment to Sustainability

The company remains committed to ESG principles by increasing the use of renewable energy, reducing carbon emissions, and adhering to international standards to meet global market requirements. Supply chain optimization is a key priority to minimizing logistics costs and mitigate trade uncertainties. These strategic initiatives aim to maintain the company's competitive advantage and drive sustainable growth in a rapidly evolving economic environment.

Consolidated Financial Performance

In 2024, The Company and its subsidiaries had earned total revenues 3,516 million Baht, which was increased by 501 million Baht or 17% from previous year. The net profit for the period was 412 million Baht, which was decreased by 14 million Baht or 3% from the previous year.

Consolidated Financial Statements (Unit: million Baht)	**2024**	**2023**
Total revenues	3,516	3,015
Cost of sales and service	2,689	2,265
Selling and Administrative Expenses	319	258
Net Profit (Loss)	412	426

In 2024, Sales revenue increased in all regions with the Americas increased by 46 percent, Canada increased by 31 percent, Africa and the Middle East increased by 41 percent, Europe increased by 13 percent, Asia and Pacific increased by 6 percent and increased in Australia increased by 1 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 for business strategy.

Operating Results Analysis

1. Revenues and Expenses of the Company and its subsidiaries

1.1 Revenue from sales and services

In 2024, The Company and its subsidiaries had earned total revenues from sales and services of 3,477 million Baht which was increased by 483 million Baht or 16% from previous year, which mainly from Rx/Prescription Lenses in approximate amount of 363 million Baht.

The Revenue by Product Groups are as follows:

Revenue by Product Groups	Manufacturer	2024	2023
1. Standard Organic Lenses	The Company and its subsidiaries.	24	24
2. Value-added Lenses *	The Company	24	28
3. Rx/Prescription Lenses	The Subsidiary Company	44	39
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 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%.

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 2024, the Company and its subsidiaries had selling and administrative expenses 320 million Baht, an increase from the previous year by 62 million Baht.

The main reasons for the above increase are due to oversea warehouse service expenses, import expenses and travel expenses.

1.4 Other Revenues

In 2024, the Company and its subsidiaries had other revenues 39 million Baht, increased by 17 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 2024, the Company and its subsidiaries had net profit 412 million Baht which decreased by 14 million Baht or 3% from the previous year.

2. Financial Status

The Company and its subsidiaries had total assets of 4,397 million Baht which increased by 350 million Baht from 2023, with details of significant increases and decreases as follows;

Current assets increased by 67 million Baht from the following changes;

- Cash and cash equivalents increased by 41 million Baht.
- Net inventories increased by 102 million Baht, the mainly due to an increase in finished goods 42 million Baht, goods in transit increased for 36 million Baht and Spare parts and factory supplies increased for 14 million.
- Trade and other receivables decreased by 132 million Baht, the main reason was from trade accounts receivable related parties decreased by 80 million Baht and trade accounts receivable unrelated parties decreased by 96 million Baht the mainly due to the company has more efficient in managing outstanding receivables.

Non-current assets increased by 283 million Baht from the following changes;

- Land, building and net equipment increased by 243 million Baht from automatic machinery and equipment for Rx/Prescription Lenses to expand production starting from 2023.
- Intangible assets increased by 34 million Baht from SAP program.

The company and its subsidiaries had total Liabilities of 2,058 million Baht, increased by 249 million Baht from 2023, as details described below;

Current liabilities increased by 80 million Baht from the following changes;

- Short-term loans from banks increased 99 million Baht.
- Trade payable and other accounts payable increased by 33 million Baht, this was mainly due to accounts payable-related parties has decrease 51 million Baht and other accounts payable-unrelated parties has decreased 15 million Baht.
- Income tax payable increased 17 million Baht.

Non-current liabilities increased by 169 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 2,339 million Baht which was increased from the amount of 2023 by 101 million Baht.

3. Cash Flow

Cash earned (used) as of December 31, 2024 comparing to prior year. (Unit: million Baht)

Items	2024	2023	Amount change	% change
Cash earned (used) in operating activities:	608.94	362.67	246.27	67.9
Cash earned (used) in investment activities:	(468.28)	(766.90)	298.62	38.9
Cash earned (used) in financing activities:	(99.29)	301.70	(400.99)	(132.9)
Net cash Increased /(Decreased)	**41.37**	**(102.53)**	**143.90**	**140.4**

Net cash earned from operating activities as of December 31, 2024 was 608.94 million Baht, an increase by 246.27 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 December 31, 2024 was 468.28 million Baht, decreased by 298.62 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 December 31, 2024 was 99.29 million Baht, an decrease by 400.99 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	%	22.63	24.64
Net Profit Margin	NP	%	11.86	14.39
Efficiency Operating Ratio				
Return on Equity	ROE	%	18.01	19.56
Return on Asset	ROA	%	11.94	13.36
Average Collection Period	ACP	Days	45.82	59.91
Average Age of Inventory	AAI	Days	227.33	246.67
Average Accounts Payable	APP	Days	44.91	45.52
Liquidity Ratio				
Debt to Equity ratio	D/E ratio	Times	0.88	0.81