(Translations)

Date: May 5, 2025

Subject: Submission of Financial Statements ended 31 March 2025 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 2025 as follows:

1. Financial Statements for 3 months ended March 31, 2025 the Company and its subsidiaries.
2. Management Discussion and Analysis (MD&A) for first Quarter ended March 31, 2025.
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 first Quarter ended March 31, 2025

Global Economic Overview

In the first quarter of 2025, the global economy continued to face pressure from policy uncertainties, particularly from the United States. Under President Trump's administration, the return to a strong "America First" stance began to reshape global trade sentiment. In Q1, President Trump signaled the introduction of a reciprocal tariff policy targeting countries with which the U.S. has a trade deficit. This announcement created a negative sentiment and uncertainty in global trade, particularly affecting exporters to the U.S.

While these tariffs were not yet implemented in Q1, the anticipation of trade restructuring led to a slowdown in trading activities, as businesses awaited clarity on the forthcoming policy direction. At the same time, China's economic recovery remained subdued despite government stimulus measures, and Europe's manufacturing sector showed slow recovery from last year's downturn. Global logistics costs faced upward pressure due to continued geopolitical tensions in the Middle East, contributing to overall economic headwinds.

Thailand's Economic Overview

Thailand's economy continued expanding in the first quarter of 2025, mainly driven by a strong recovery in tourism particularly from Chinese and neighboring countries. However, tourism dipped slightly in February due to a drop in Chinese visitors following the Lunar New Year and safety concerns in Thailand. Visitors from other countries, however, continued to increase.

The government has been accelerating investment budget disbursements. Private consumption has been gradually recovering amid persistently high household debt. Thai exports improved, particularly in electronics and machinery, aligned with growing demand for technology products.

Key Risks to the Company's Business

- **U.S. Import Tariff Policy:** In Q1 2025, the U.S. administration under President Trump announced its intention to impose reciprocal tariffs on countries with which the U.S. has a trade deficit. Although the specific tariff rates and enforcement mechanisms were not yet implemented during the quarter, the announcement alone contributed to heightened uncertainty across global markets. This policy stance introduced potential risks to global supply chains and created concern among trading partners, including Thailand. For exporters, this development placed downward pressure on market confidence and export planning, particularly in the U.S. market. Businesses faced difficulty in making forward-looking investment and sales decisions amid the uncertain policy environment.

- **Geopolitical Uncertainty:** Ongoing conflicts in the Middle East and rising tensions between the U.S. and China continue to cause global supply chain uncertainties, potentially increasing production costs.
- **Exchange Rate Volatility:** The Thai Baht weakened slightly against the U.S. Dollar in early Q1 2025 but appreciated again in February and March. Exchange rate fluctuations require close monitoring, driven by U.S. monetary policy, and global political and economic developments.
- **Labor Market and Manufacturing Dependency:** Demand for skilled labor remains high, especially in precision-based manufacturing. The company is accelerating automation and technological development to improve efficiency and reduce reliance on manual labor.

Company Strategies to Mitigate Risks

Amid the rising uncertainty in the global trade environment during the first quarter of 2025, particularly due to the U.S. government's stance on potential reciprocal tariffs, the company has prioritized proactive strategic planning and prudent risk management. Although no new tariff measures had been implemented during the quarter, the prevailing uncertainty prompted the company to closely monitor developments and assess potential impacts on competitiveness, especially in the U.S. market.

To manage short-term risks, the company continues to pursue its market diversification strategy and expand its customer base to reduce its dependence on a single key market. Strategic planning has also focused on designing a more flexible revenue structure by increasing the proportion of revenue from markets with lower import tariff risks, while adjusting parts of the business model to be more resilient to changes in global trade conditions.

Internally, the company places strong emphasis on cost control and operational efficiency. Process improvements have been accelerated through the integration of advanced technologies and automation to enhance efficiency, lower costs, and strengthen supply chain flexibility against market volatility.

Additionally, the company remains committed to efficient raw material procurement, continuous research and development, and enhancing its ability to generate greater value in its products to maintain globally competitive cost structures.

Additionally, the company continues to closely monitor exchange rate fluctuations and uses appropriate financial instruments, such as forward contracts, to manage currency risk effectively. These efforts are designed to preserve business resilience while maintaining readiness to adapt to any policy changes that may materialize in the upcoming quarters.

Sustainability and ESG Development

The company remains committed to sustainable business practices by integrating ESG principles into its corporate strategy.

- **Environmental:** Focus on reducing carbon emissions, increasing renewable energy use, and efficiently managing resources across the supply chain to meet sustainability standards demanded by international markets.
- **Social:** Improving employee quality of life and community engagement, promoting a culture of safety, diversity, and sustainable development.
- **Governance:** Adhering to good corporate governance principles transparency, accountability, and strengthening internal controls and risk management to navigate the rapidly changing business environment.

Integrating ESG with strategic planning is seen as essential to enhancing long-term competitiveness and supporting sustainable growth in an evolving economic and social landscape.

Consolidated Financial Performance

In Q1/2025, The Company and its subsidiaries earned total revenues 901 million Baht, which was increased by 12 million Baht or 1% from previous year. The net profit for the period was 98 million Baht, which was decreased by 13 million Baht or 12% from the previous year.

Consolidated Financial Statements (Unit: million Baht)	**Q1/2025**	**Q1/2024**
Total revenues	901	889
Cost of sales and service	687	676
Selling and Administrative Expenses	98	80
Net Profit (Loss)	98	112

In Q1/2025, revenue from sales increased in several regions. Notably, sales in Canada rose by 44%, the United States increased by 10%, the Africa and Middle East region grew by 11%, and Australia saw a 16% increase. Regarding the cost of sales and services, the ratio to revenue slightly increased compared to the same period last year. The main reason was due to the depreciation of replacement machinery and additional investments made to improve production efficiency. Regarding selling and administrative expenses, the increase was mainly attributed to overseas warehouse service costs, import-related expenses, and business travel costs associated with future business expansion plans.

Operating Results Analysis

1. Revenues and Expenses of the Company and its subsidiaries

1.1 Revenue from sales and services

In Q1/2025, The Company and its subsidiaries had earned total revenues from sales and services of 899 million Baht which was increased by 54 million Baht or 6% from previous year, which mainly from Rx/Prescription Lenses in approximate amount of 55 million Baht.

The Revenue by Product Groups are as follows:

Revenue by Product Groups	**Manufacturer**	**Q1/2025**	**Q1/2024**
1. Standard Organic Lenses	The Company and its subsidiaries.	18	22
2. Value-added Lenses *	The Company	25	25
3. Rx/Prescription Lenses	The Subsidiary Company	48	45
4. Mineral Lenses/Other Products and Services	The Company and its subsidiaries.	9	8
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 Q1/2025, the Company and its subsidiaries had ratio of cost of goods sold to revenue from sales and services at 76% lower than prior year 4%.

The main reason is that company's sales mix changed from Q1/2024, resulting in a higher gross profit compared to the previous year.

1.3 Selling and Administrative Expenses

In Q1/2025, the Company and its subsidiaries had selling and administrative expenses 98 million Baht, an increase from the previous year by 18 million Baht.

The main reasons for the above increase are due to oversea warehouse service expenses, selling and distribution expenses and loss in exchange rate.

1.4 Other Revenues

In Q1/2025, the Company and its subsidiaries had other revenues 3 million Baht, decreased by 42 million Baht from the previous year, mainly due to the decrease in revenue from sales support by the company's main supplier from purchasing volume decreasing and in Q1/2024 there was a foreign exchange gain of 33 million baht.

1.5 Net Profit

In Q1/2025, the Company and its subsidiaries had net profit of 98 million Baht which decreased by 13 million Baht or 12% from the previous year.

2. Financial Status

The Company and its subsidiaries had total assets of 4,579 million Baht which increased by 182 million Baht from 2024, with details of significant increases and decreases as follows;

Current assets increased by 123 million Baht from the following changes;

- Cash and cash equivalents increased by591 million Baht.
- Trade and other receivables increased by 116 million Baht, relate to the increase in sales in Q1/2025.
- Net inventories decreased by 52 million Baht, This was due to the increase in sales in Q1/2025, as well as more efficient inventory management.

Non-current assets increased by 59 million Baht from the following changes;

- Land, building and net equipment increased by 54 million Baht from automatic machinery and equipment for Rx/Prescription Lenses to expand production starting from 2024.

The company and its subsidiaries had total Liabilities of 2,142 million Baht, increased by 84 million Baht from 2024, as details described below;

Current liabilities increased by 45 million Baht from the following changes;

- Trade and other payables increased by 26 million Baht

Non-current liabilities increased by 39 million Baht with details as follows;

- Long-term loans from banks increases by 40 million Baht.

The company and its subsidiaries had Shareholders' equity in 2025 in the amount of 2,437 million Baht which was increased from the amount of 2024 by 182 million Baht.

3. Cash Flow

Cash earned (used) as of Mar 31, 2025 comparing to prior year. (Unit: million Baht)

Items	Q1/2025	Q1/2024	Amount change	% change
Cash earned (used) in operating activities:	134.54	160.95	(26.41)	(16.4)
Cash earned (used) in investment activities:	(111.57)	(21.70)	(89.87)	(414.1)
Cash earned (used) in financing activities:	36.11	(29.04)	65.15	224.3
Net cash Increased /(Decreased)	**59.08**	**110.21**	**(51.13)**	**(46.4)**

Net cash earned from operating activities as of March 31, 2025 was 134.54 million Baht, and decrease by 26.41 million Baht from the previous year, the primary reason for this decline was an increase in trade receivables that are not yet due.

Net cash used in investment activities as of March 31, 2025 was 111.57 million Baht, increased by 89.87 million Baht from the previous year, there was from a purchases of automatic machinery and equipment for Rx/Prescription Lenses supporting capacity expansion to serve customer's demand.

Net cash earned financing activities as of March 31, 2025 was 36.11 million Baht, an decrease by 65.15 million Baht from the previous year, the primary reason is the company received a loan from the bank for investment activities, 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 2025	Year 2024
Profitability Ratio				
Gross Profit Margin	GP	%	23.54	22.63
Net Profit Margin	NP	%	10.95	11.86
Efficiency Operating Ratio				
Return on Equity	ROE	%	16.71	18.01
Return on Asset	ROA	%	10.89	11.94
Average Collection Period	ACP	Days	44.58	45.82
Average Age of Inventory	AAI	Days	229.53	227.33
Average Accounts Payable	APP	Days	53.12	44.91
Liquidity Ratio				
Debt to Equity ratio	D/E ratio	Times	0.88	0.88