



บริษัท วาว แฟคเตอร์ จำกัด (มหาชน)
77/1 ซอยร่วมศิริมิตร แขวงจอมพล
เขตจตุจักร กรุงเทพมหานคร 10900
โทรศัพท์ 02 093 1681- 3 โทรสาร 02 093 1684
www.wowfactor.co.th

WOW FACTOR PUBLIC COMPANY LIMITED
77/1 SOI RUAM SIRI MIT, CHOM PHON,
CHATUCHAK, BANGKOK 10900
Tel. 02 093 1681- 3 Fax. 02 093 1684
www.wowfactor.co.th

-Translation-

Ref. W-AD012/2022

13 May 2022

Subject: Management Discussion and Analysis for the Performance for the three-month period ended on 31 March 2022

To: President
The Stock Exchange of Thailand

The Board of Directors of Wow Factor Public Company Limited (the "Company") No.3/2022 held on 13 May 2022 agreed on a resolution to certify the financial statements and the performance for the three-month period ended on 31 March 2022 which was reviewed by the Auditor.

The overall of the Company's performance can be summarized as follows:

[Please see the following page]

Statement of Profit or Loss for the three-month period ended on 31 March 2022

(Unit: Thousand Baht)

Performance (Statement of Profit or Loss)	2022	2021	Increase/(Decrease)	%
Revenue from sales	151,356	96,012	55,344	58
Costs of sales	(82,702)	(47,768)	(34,934)	73
Gross profit	68,654	48,244	20,410	42
Other income	2,171	646	1,525	236
Profit before expenses	70,825	48,890	21,935	45
Selling and distribution expenses	(97,667)	(65,332)	(32,335)	49
Administrative expenses	(49,705)	(41,100)	(8,605)	21
Remunerations for directors and management	(2,213)	(2,600)	387	(15)
Gain (Loss) on foreign exchange	(141)	13	(154)	(1,185)
Total expenses	(149,726)	(109,019)	(40,707)	37
Loss before finance costs and income tax	(78,901)	(60,129)	(18,772)	31
Finance costs	(11,969)	(2,176)	(9,793)	450
Loss before income tax	(90,870)	(62,305)	(28,565)	46
Income tax	1,398	1,398	-	-
Loss for the period	(89,472)	(60,907)	(28,565)	47

Sales and cost of sales

Revenue from sales of goods of the Group is from selling food and beverages from the Domino's Pizza, Kagonoya Shabu, BAKE WORKS, Le' Boeuf and Crepes & Co. brands.

(Unit: Thousand Baht)

	2022		2021	
Selling food and beverages				
Income from sales of goods	151,356		96,012	
Cost of sales	<u>(82,702)</u>		<u>(47,768)</u>	
Gross profit	<u>68,654</u>	45%	<u>48,244</u>	50%

Revenue from selling food and beverage increased from the first quarter of 2021 by Baht 55 million caused from the growth of all brands, especially the sales of Domino's Pizza, which are higher than the first quarter of 2021 amounting to Baht 39 million. Because the brand is more well-known, including the expansion of branches from 26 stores as of 31 March 2021 to be 37 stores as of 31 March 2022, accounted to access to more groups of customer. Furthermore, the continued growth of the brand "Kagonoya Shabu", which has increased sales of both dine-in and delivery, as well as the opening of Central Rama 9 and Central Rama 3 branches during 2021, had got good feedback. As a result, sales increased by Baht 12 million from the previous year. Nevertheless, the average gross margin of the Group decreased by 5% from the first quarter of 2021 due to an increase in food costs both domestically and internationally. However, the Group hasn't had the policy to adjust the selling price for the purpose of maintaining the existing customer base. Including the reason for food costs prices trends observation, in order to plan for the next strategy.

Other income

Other income increased from the first quarter of 2021 by Baht 1.5 million, mainly due to the Company has received rebate from suppliers due to the purchase of goods has reached the agreed quantities.

Selling expenses

(Unit: Thousand Baht)

	2022	The percentage of sales	2021	The percentage of sales	Increase (Decrease)
Employee costs	31,366	20.7%	19,661	20.5%	11,705
Rental, service fee and utilities expenses	19,430	12.8%	16,084	16.8%	3,346
Depreciation and amortization	18,546	12.3%	13,939	14.5%	4,607
Advertisement and sales promotion	10,800	7.1%	5,440	5.7%	5,360
Supplies	5,323	3.5%	2,143	2.2%	3,180
Others	12,202	8.1%	8,065	8.4%	4,137
Total	97,667	64.5%	65,332	68.0%	32,335

Selling expenses of the Group for the first quarter of 2022 increased from the first quarter of 2021 by Baht 32 million, in line with the growth of the total sales of the Group. Including the business expansion strategy of Domino's Pizza branches that is still ongoing. This required the preparation of manpower, rental space, and supplies for the new branch. However, the ratio of the selling expenses compared to the sales in the first quarter of 2022 tends to decrease from the first quarter of 2021 by 3.5%, mainly due to the Company trying to reduce the cost of a rental and service fees for new branches. Including the negotiation for a better rental condition for the old branches and utilized the rental area to encourage more sales.

Administrative expenses

(Unit: Thousand Baht)

	2022	The percentage of sales	2021	The percentage of sales	Increase (Decrease)
Employee costs	23,166	15.3%	15,548	16.2%	7,618
Legal consultation fee and professional service fees	3,146	2.1%	4,006	4.2%	(860)
Rental and service fee	1,500	1.0%	546	0.6%	954
Depreciation and amortization expenses	15,149	10.0%	14,845	15.5%	304
Others	6,744	4.5%	6,155	6.4%	589
Total	49,705	32.8%	41,100	42.8%	8,605

Administrative expenses increased from the first quarter of 2021 by Baht 8.6 million, mainly due to the increase in employee expenses to support the expansion of the Group's business. The said proportion is likely to decrease as the Group has recruited employees closer to the full capacity required.

Finance costs

Finance costs increased from the first quarter of 2021 by Baht 9.8 million, which was in trend with the increase in short-term loans that increase from Baht 40 million as of 31 March 2021 to Baht 371 million as of 31 March 2022. Furthermore, the interest rate has increased from 6-8% per annum to 6-15% per annum. However, the Company is in the process of raising capital to reduce the loan ratio and use for branches' expansion and working capital.

Please be informed accordingly

Sincerely yours

- signed-

(Ms. Vimol Hanpanishkitkarn)
Director / Chief Financial Officer