



Ref. W-AD016/2023

May 12, 2023

Subject: Management Discussion and Analysis on operating result for three months then ended 31 March 2023

To: Managing Director of Stock Exchange of Thailand

Wow Factor Public Company Limited would like to report the variance in operating result for 3 months ended 31 March 2023 compared with the same period of year 2022 as follows:

Operating Results for 3 months

Unit : Thousand Baht

Performances (Statement of Profit and Loss)	Q 1 / 2023	Q 1 / 2022	Change	
			Increase (Decrease)	
Revenue from Sales	80,674	78,531	2,143	3%
Cost of Goods Sold	(42,287)	(40,446)	1,841	5%
Gross Profit	38,387	38,085	302	1%
Other Incomes	1,443	1,317	126	10%
Selling and Administration Expenses	(57,815)	(61,275)	(3,460)	(6%)
Loss before Finance Cost	(17,985)	(21,873)	(3,888)	(18%)
Finance Cost	(10,776)	(5,442)	5,334	98%
Loss before Income Tax	(28,761)	(27,315)	1,446	5%
Income Tax Revenue	=	1,398	(1,398)	(100%)
Net Loss from Continued Operation	(28,761)	(25,917)	2,844	11%
Loss from Discontinued Operation	(-)	(63,555)	63,555	(100%)
Net Loss for the Year	(28,761)	(89,472)	(60,711)	(68%)

The consolidated net loss for three months ended 31 March 2023 and 2022 were Baht 28,761 thousand and Baht 89,472 thousand, respectively. The operating loss decreased from the same period of prior year about approximately Baht 60,711 thousand or approximately decreased 68%. of operating loss in first quarter of 2022. The Company would like to clarify the significant change in operating performance as below.



■ **Revenue from Sales**

Revenue from sales of company and its subsidiaries for the first quarter of 2023 increased from the same period of 2022 by approximately about Baht 2,143 thousand or 3%. The major increase came from expanding new restaurants which reflected increasing in sale volume. The company is expected to have future growth in sale volume because the company have had a plan to expand new restaurants in next years.

■ **Gross Profit**

Increasing in gross profit increased by approximately about Baht 302 thousand or 1% came from rising price of raw materials in 2023 reflected to slightly increase in gross profit.

■ **Loss from Discontinued Operations**

At 30 November 2022, Domino Asia Pacific Co., Ltd was disposed. From these results, performance from discontinued operation approximately about Baht 63,555 was separately reported in the first quarter of 2022.

■ **Finance Cost**

Finance cost increased from the same period of 2022 approximately about Baht 5,334 thousand because the need of funds to support operating in the company which reflected in higher finance cost at the same time.

Financial Position

■ **Assets**

Total assets insignificantly decreased from the same period of previous year approximately Baht 8,297 thousand because of decreasing in cash and cash equivalence in 2023.

■ **Liabilities**

Total liabilities increased in amounting of Baht 20,464 thousand from the same period of previous year. The main result came from the company still need more funds from third parties to support operation in 2023.

■ **Shareholders' Equity**

Shareholders' equity of the company and its subsidiaries insignificantly decreased approximately Baht 28,761 thousand from the end of year 2022. The major result came from net loss from operations in the first quarter of 2023.



Key Financial Ratios

Financial Ratios	31 March 2023	31 December 2022
1. Return on Assets (%)	(4%)	(83%)
2. Current Ratio (Times)	0.08	0.12
3. Debt to Equity Ratio (Times)	8.37	5.79
4. Interest Bearing Debts Ratio (Times)	6.78	4.62

■ **Return on Assets (ROA)**

The company performed substantially better in return on assets at the first quarter of 2023 compared with the end of 2022 because the company reported decreasing in net loss from operation while the level of assets utilization was still quite the same.

■ **Current Ratio**

The company provided less liquidity of working capital in the first quarter of 2023 than at the end of 2022 because increasing in short-term loans to support operation during 2023.

■ **Debt to Equity Ratio**

The company obviously stated a higher level of debt to equity ratio at the first quarter of 2023 than at the end of previous year because operating loss in this period and increasing in funding from third parties in the first quarter of 2023.

■ **Interest Bearing Debt to Equity Ratio**

The company had a worse interest bearing debt to equity ratio at the first quarter of 2023 due to decreasing in shareholders' equity which reflected from operating loss in 2022. Moreover, the company still need more funds from third parties in 2023.



Cash Flow

Cash flow of the company and its subsidiaries for the first quarter of 2023 had a net decrease of Baht 10,625 thousand while the same period of previous year reported a net decrease of Baht 7,658 thousand.

Unit : Thousand Baht

Year	Cash Flow			Increase (Decrease)
	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	
Q1 of 2023	(12,928)	(7,223)	9,526	(10,625)
Q1 of 2022	(55,843)	(50,954)	99,139	(7,658)

Net cash flow from operations for the first quarter of 2023 was net cash outflow in the amount of Baht 12,928 thousand because payment in operating activities and finance costs.

Cash flow from investments activities in the first quarter of 2023 was net cash outflow of approximately Baht 7,223 thousand from acquiring fixed assets and intangible assets.

Cash flow from financing activities in the first quarter of 2023 was net cash inflow of approximately Baht 9,526 thousand occurred by funding loans from third parties.

Best regards,

(Miss Saowanee Khaubol)
CEO (Acting) / Director