



Ref. W-AD004/2024

February 15, 2024

Subject: Management Discussion and Analysis on operating result for the year then ended 31 December 2023

To: Managing Director of Stock Exchange of Thailand

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

**Operating Results for the year**

Unit : Million Baht

Performances (Statement of Profit and Loss)	2023	2022	Change	
			Increase	(Decrease)
Revenue from Sales	312	344	(32)	(9%)
Cost of Goods Sold	(160)	(172)	(12)	(7%)
<b>Gross Profit</b>	152	172	(20)	(12%)
Other Incomes	12	3	9	300%
Selling and Administration Expenses	(252)	(273)	(21)	(8%)
Loss from Disposal Investment in Subsidiaries	(-)	(101)	(101)	(100%)
Loss from Impairment Goodwill	(21)	(81)	(60)	(74%)
<b>Loss before Finance Cost</b>	(109)	(280)	(171)	(61%)
Finance Cost	(40)	(56)	(16)	(29%)
<b>Loss before Income Tax</b>	(149)	(336)	(187)	(56%)
Income Tax Revenue	1	5	(4)	(80%)
<b>Net Loss from Continued Operation</b>	(148)	(331)	(183)	(55%)
<b>Loss from Discontinued Operation</b>	(-)	(245)	(245)	(100%)
<b>Net Loss for the Year</b>	(148)	(576)	(428)	(74%)

The consolidated net loss for the year ended 31 December 2023 and 2022 were Baht 148 million and Baht 576 million, respectively. The operating loss decreased from the prior year about approximately Baht 428 million or approximately decreased 74% of operating profit for year 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 year 2023 decreased from the same period of 2022 by approximately about Baht 32 million or 9%. The major decrease came from discontinuing some restaurants with negative profitability which reflected decreasing in sale volume. The company had a plan to expand new restaurants in next years in high traffic location. The company is expected to have future growth in sale volume from this plan.

■ **Gross Profit**

Increasing in gross profit decreased by approximately about Baht 20 million or 12% came from discontinuing some restaurants and launched discount promotion campaigns in 2023

■ **Loss from Disposal Investment in Subsidiaries and Discontinued Operations**

A structure of investments has been significantly changed in 2022 by selling 2 subsidiaries (Domino Asia Pacific Co., Ltd and DK Wow Venture Co., Ltd) and disposal of baking operating segment (La Lune Brand). From these results, performance reflected to loss from disposal of investment in amount of approximately about Baht 101 million and loss from discontinued operation approximately about Baht 245 million. The company expect to get better operating results and cash flow in the future from these decisions.

■ **Finance Cost**

Finance cost decreased from the same period of 2022 approximately about Baht 16 million because the need of funds to support operating in the company. However, The company paid a large amount of short-term loans from third parties in 2023.

**Financial Position**

■ **Assets**

Total assets insignificantly increased from the previous year approximately about Baht 39 million from expanding 3 new restaurant in 2023 which reflected increasing in total assets.

■ **Liabilities**

Total liabilities decreased in amounting of Baht 41 million from paying a large amount of short-term loans from third parties in 2023.



#### ■ Shareholders' Equity

Shareholders' equity of the company and its subsidiaries significantly increased approximately Baht 80 million from the end of year 2022. The major result came from issuing new ordinary shares. Moreover, the company reported decreasing in net operating loss in 2023.

#### Key Financial Ratios

Financial Ratios	31 December 2023	31 December 2022
1. Return on Assets (%)	(20%)	(83%)
2. Current Ratio (Times)	0.17	0.12
3. Debt to Equity Ratio (Times)	3.04	5.79
4. Interest Bearing Debts Ratio (Times)	2.27	4.62

#### ■ Return on Assets (ROA)

The company performed substantially better in return on assets at the end of 2023 compared with the end of 2022 because the company reported decreasing in net loss from operation for the year 2023 while slightly increasing in level of assets utilization.

#### ■ Current Ratio

The company provided higher liquidity of working capital in the end of 2023 than at the end of 2022 because decreasing in short-term loans from third parties and still maintain the same level of working capital in 2023.

#### ■ Debt to Equity Ratio

The company obviously stated a lower level of debt to equity ratio at the end of 2023 than at the end of previous year because of increasing in shareholders' equity from 2022 and decreasing in portion of debts in 2023.

#### ■ Interest Bearing Debt to Equity Ratio

The company had a better interest bearing debt to equity ratio at the end of 2023 due to increasing in shareholders' equity from 2022 and decreasing in portion of debts in 2023.



## Cash Flow

Cash flow of the company and its subsidiaries for the year of 2023 had a net increase of Baht 11 million while the previous year reported a net decrease of Baht 12 million.

Unit : Million Baht

Year	Cash Flow			Increase (Decrease)
	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	
2023	(73)	(56)	140	11
2022	(152)	131	9	(12)

Net cash flow from operations for the year of 2023 was net cash outflow in the amount of Baht 73 million because payment in operating activities and finance costs.

Cash flow from investments activities in the year of 2023 was net cash outflow of approximately Baht 56 million from expanding 3 new restaurant.

Cash flow from financing activities in the year of 2023 was net cash inflow of approximately Baht 140 million occurred by funding loans from third parties and issued new ordinary shares.

Best regards,

(Miss Saowanee Khaubol)  
CEO (Acting) / Director