



บริษัท วา แฟคเตอร์ จำกัด (มหาชน)  
304 อาคารวานิชเพลส อารีย์ (อาคารA) ชั้นที่ 18 ห้อง  
เลขที่ 1803-1806 ถนนพหลโยธิน แขวงสามเสนใน  
เขตพญาไท กรุงเทพมหานคร 10400  
โทรศัพท์ 02 278 5456 www.wowfactor.co.th

WOW FACTOR PUBLIC COMPANY LIMITED  
304 VANIT PLACE AREE TOWER (TOWER A), ROOM  
NO.1803-1806, 18 FLOOR, PHAHON YOTHIN ROAD,  
SAMSEN NAI, PHAYA THAI, BANGKOK 10400  
Tel. 02 278 5456 www.wowfactor.co.th

Ref. W-AD004/2024

February 15, 2024

Subject: Management Discussion and Analysis on operating result for the year then ended 31 December 2023 ([Additional clarification under SET requested](#))

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%
<b>Selling and Administration Expenses</b>	(246)	(273)	(27)	(10%)
Loss from Disposal Investment in Subsidiaries	(-)	(101)	(101)	(100%)
Loss from Impairment Goodwill	(21)	(81)	(60)	(74%)
<b>Loss from Impairment Brand</b>	(6)	0	6	100%
<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.



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#### ■ 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 Impairment Goodwill and Brand

In the year 2023, the Company recognized losses amounting to 21 million baht due to diminished value of goodwill of BAKE Cheese Tart (Thailand) Limited Company, which led to the realization of the remaining goodwill impairment of the subsidiary in its entirety. Additionally, the Company incurred losses of 6 million baht due to diminished value of trademarks of BAKE Cheese Tart (Thailand) Limited Company, representing 7 percent of the total trademarks held, resulting in a remaining balance of 86 million baht for the trademarks of the aforementioned subsidiary. These losses were attributed to the expected lower recoverable amounts, which were significantly lower than the cash generating units, primarily due to lower than expected sales, necessitating the recognition of the impairment. However, these impairments did not significantly impact the Company's operations. Furthermore, the Company's specific financial statements also recognized a 20 million baht decrease in the investment value of the subsidiary, Food Holding Limited, a holding company with two subsidiaries, Eastern Cuisine (Thailand) Limited Company and Crepes and Co. Development Limited Company, both of which the Company holds a 99.99 percent stake in. This increase in investment during the year 2023 resulted in the book value of the investments in the subsidiaries being higher than the expected recoverable amounts.

#### ■ 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.



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#### ■ 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 restaurants 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.



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#### ■ **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.

On July 24, 2023, at the Company's board meeting, a resolution was passed to approve the pledge of ordinary shares of the subsidiary company to secure the repayment of a loan from One To One Contacts Public Company Limited (now renamed as Peer For You Co., Ltd. "**PEER**"). Food Holding Co., Ltd. as the subsidiary and holding company, pledged its 6,999,999 shares of Eastern Cuisine (Thailand) Co., Ltd. and 81,633 shares of Crepes and Co. Development Co., Ltd. as collateral for the aforementioned loan (the Company holds a 99.99% stake in Food Holding Co., Ltd.).

Subsequently, on January 24, 2024, the Company sent a letter to PEER requesting an extension of the loan repayment period until June 25, 2024, along with an interest rate of 15% per annum.

Then, on February 19, 2024, PEER passed a resolution at its board meeting, the 4th /2024, approving the extension of the entire loan repayment period along with the interest for the outstanding amount that the Company had not yet repaid to PEER, the Company increased its capital through a private placement, as resolved by the Company's board meeting, the 1st /2024, on February 15, 2024. This proposal will be presented at the Annual Shareholders' Meeting of the Company for the year 2024 on April 30, 2024 within 7 days after, or by June 25, 2024 (whichever comes first), or any other business day agreed upon and mutually signed by both parties, at an interest rate of 15% per annum.

#### ■ **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.



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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 restaurants.

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