

13 May 2021

Subject : Management's Discussion and Analysis for the first quarter 2021 operating results with variation greater than 20% compared to the same period of 2020

To : The President of the Stock Exchange of Thailand

The Company would like to provide details of changes in profit and loss of the first quarter 2021 interim consolidated financial statements of Wave Entertainment PLC as follows:

	Q1/2021		Q1/2020		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
Revenue Segment Information						
Language institute	80.70	63%	130.01	57%	(49.31)	-38%
Restaurant	47.18	37%	86.50	38%	(39.32)	-45%
Entertainment	-	0%	11.13	5%	(11.13)	-100%
Total Revenue	127.88	100%	227.64	100%	(99.76)	-44%
Cost	84.65	66%	130.61	57%	(45.96)	-35%
Gross profit	43.23	34%	97.03	43%	(53.80)	-55%
Other Revenues & Profit Sharing	49.92	39%	(31.34)	-14%	81.26	259%
Selling and admin expenses	(83.49)	-65%	(143.45)	-63%	(59.96)	-42%
Financial cost	(8.76)	-7%	(12.28)	-5%	(3.52)	-29%
Tax	0.25	0%	0.25	0%	0.00	0%
Net Profit (loss)	1.15	1%	(89.79)	-39%	90.94	101%
Profit (loss) attributable to						
Owner of the parent	1.15	1%	(64.12)	-28%	65.27	102%
Non-controlling interest	-	0%	(25.67)	-11%	(25.67)	-100%
Profit (loss)	1.15	1%	(89.79)	-39%	90.94	101%
EBITDA	26.19		16.63		9.56	57%

The outbreak of the Coronavirus Disease 2019 ("COVID-19"), situation which started in late 2019 and extended well into the year 2020 and continued until early this year has adversely direct impacted the Group's operations due to mandatory closure decree, resulting in the first quarter revenue of THB 127.88 million, reducing by THB 99.76 million or 44% down from the same period of last year. Details of each segment's revenues are:

- Language institute business: the mandatory closure decree in January has resulted in a revenue drop of THB 49.31 million, down 38% compared to the same period last year.
- Restaurant business: despite no mandatory services closure decree from Government in January, but the business suffered from poor public spending sentiments during the over-extended pandemic. This resulted in a fall in revenue of THB 39.32 million, a 45% drop compared to the same period last year.

The Group's total costs for the first quarter was at THB 84.65 million, a drop of THB 45.96 million or 35% over the same period of last year in line with the drop in business activities revenue. As a result, Gross Profit of the group was THB 43.23 million (34% of total revenue), a decrease of THB 53.80 million or 55% down compared to the same period of last year, due to the significant decrease in revenue. Total selling and administrative expenses for the first three-month were at THB 83.49 million, a decrease of THB 59.96 million or 42% compared to the same period last year due to strictly control. However, other revenue and profit sharing from associates was at THB 49.92 million, up by THB 81.26 million compared to the same period of last year due to revenue accounting method change, from Equity to Mark-to-Market in an associated company. As a result, the Group had EBITDA of THB 26.19 million and net profit of THB 1.15 million in this quarter, up by THB 90.94 million or 101% and THB 9.56 million or 57% compared to the same period of last year, respectively.

As of 31 March 2021, the Group's total assets were at THB 1,874.76 million, down by THB 54.21 million mostly from adoption of new financial reporting standards (TFRS 16: leases standard), Right-of-use assets which will be amortized by each quarter in accordance to IFRS16 "Leases" as well as the Group's total liabilities being down by THB 56.60 million from THB 1,109.82 million, mostly due to the loan repayment. Equity owner of the parent is up due to the recognition of profit in the first quarter.

Please be informed accordingly,

Yours sincerely,

-Mr. Matthew Kichodhan-

Mr. Matthew Kichodhan
Chairman and CEO