

13 August 2021

Subject : Management's Discussion and Analysis for the six-month period ending 30 June 2021 operating results that varied more 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 as shown in the six-month period ending 30 June 2021 reviewed consolidated financial statements of Wave Entertainment Plc. as follows:

### Q2/2021

	Q2/2021		Q2/2020		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
Revenue by Segment						
Language institute	77.90	71%	113.99	81%	(36.09)	-32%
Restaurant	31.45	29%	23.34	16%	8.11	35%
Entertainment	-	0%	3.93	3%	(3.93)	-100%
<b>Total Revenue</b>	<b>109.35</b>	<b>100%</b>	<b>141.26</b>	<b>100%</b>	<b>(31.91)</b>	<b>-23%</b>
Total Cost	69.80	64%	69.88	49%	(0.08)	0%
Gross profit	39.55	36%	71.38	51%	(31.83)	-45%
Other Revenues & Profit Sharing	37.55	34%	60.62	43%	(23.07)	-38%
Selling and admin expenses	(78.72)	-72%	(92.01)	-65%	(13.29)	-14%
Financial costs	(8.28)	-8%	(9.22)	-7%	(0.94)	-10%
Taxes	0.25	0%	0.23	0%	0.02	9%
<b>Net Profit (loss)</b>	<b>(9.65)</b>	<b>-9%</b>	<b>31.00</b>	<b>22%</b>	<b>(40.65)</b>	<b>-131%</b>

### 1H/2021

	1H/2021		1H/2020		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
Revenue by Segment						
Language institute	158.60	67%	244.00	66%	(85.40)	-35%
Restaurant	78.63	33%	109.84	30%	(31.21)	-28%
Entertainment	-	0%	15.07	4%	(15.07)	-100%
<b>Total Revenue</b>	<b>237.23</b>	<b>100%</b>	<b>368.91</b>	<b>100%</b>	<b>(131.68)</b>	<b>-36%</b>
Cost	154.45	65%	200.49	54%	(46.04)	-23%
Gross profit	82.78	35%	168.41	46%	(85.63)	-51%
Other Revenues & Profit Sharing	87.48	37%	29.28	8%	58.20	199%
Selling and admin expenses	(162.22)	-68%	(235.46)	-64%	(73.24)	-31%
Financial cost	(17.05)	-7%	(21.50)	-6%	(4.45)	-21%
Tax	0.51	0%	0.49	0%	0.02	4%
<b>Net Profit (loss)</b>	<b>(8.50)</b>	<b>-4%</b>	<b>(58.78)</b>	<b>-16%</b>	<b>(50.28)</b>	<b>-86%</b>

The Corona Virus (COVID-19) outbreak that started at end of 2019 made its way into Thailand in early 2020, forcing the Thai government to declare Royal Emergency Decree 2020 to contain the contagion. The Group performance was impacted from operational closure between April and August 2021, significantly impact to consumer spending and all businesses especially Education and Restaurant businesses resulting in the Group's Q2 2021 total revenue of THB 109.35 million, decreasing by THB 31.91 million or 23% compared to the same period of last year and for the first half's THB 237.23 million decreasing by THB 131.68 million or 36%. The significant drop was mainly caused by the national lock down in Q2, details of revenue in each business are:

- Language institute business recognized in this quarter THB 77.90 million of revenue, down by THB 36.09 million or 32% and in the first half THB 158.60 million down by THB 85.40 million or 35% compared to the same period of last year due to the closure of services under the Emergency Decree. The Group has adjusted the service model to focus on online classes during the mentioned closure.
- Restaurant business earned THB 31.45 million, up by THB 8.11 million or 35% and THB 78.63 million in the first half of this year, down by THB 31.21 million or 28% compared to the same period of last year from the Emergency Decree closure and the ceasing of non-profitable branches. The Group has shifted into delivery activity in this difficult time.

The Group's total costs in this quarter were THB 69.80 million, while the first half were THB 154.45 million, down by THB 46.04 million or 23% compared to the same period of last year. The drop in costs was in the same direction with the drop in revenue, yielding this quarter the gross profit of THB 39.55 million (36% of total revenue), down THB 31.83 million or 45% and the gross profit in first half was THB 82.78 million, down THB 85.63 million or 51% YoY.

The Group also recognized other revenue, profit for the period from discontinued operation and share of profit from associates in the amount of THB 37.55 million, down by THB 23.07 million compared to the same period of last year. Due to last year in second quarter the group realized a THB 38.72 million profits from the sales of Index Creative Village Group. In first half year 2021 recognized revenue THB 87.48 million, up THB 58.20 million compared to the same period of last year which mostly came from THB 32.44 million of profit for the period from discontinued operations and THB 14.13 million of profits from associated companies.

Total selling and administrative expenses for Q2 2021 were at THB 78.72 million, down THB 13.29 million, or 14% and for 1H 2021 were at THB 162.22 million, down THB 73.24 million or 31% from the same period of last year due to a robust expense control in the quarter. The amount comprised of THB 41.80 million in Q2 2021 and THB 88.16 million in 1H 2021 depreciation, depreciation of right-of-use assets and amortization of intangible assets. There was also a THB 8.28 million and THB 17.05 million financing costs in Q2 2021 and 1H 2021 respectively, for an EBITDA of THB 2.63 million and THB 8.73 million in Q2 2021 and 1H 2021 respectively.

As a result of business lock down by the government, the Group's income has been inevitably and significantly impacted, while the costs and expenses remained tightly controlled. This resulted in a second quarter and a half-year loss of THB 9.65 million and THB 8.50 million respectively

As at 30 June 2021, the group total assets of THB 1,787.80 million, down by THB 141.17 million mainly due to a decrease in the proportion of holdings held for sale. Total liability stood at THB 973.21 million, down by THB 136.61 million from partial repayment of long-term loan. Equity of THB 814.58 million was down by THB 4.56 million compared to 2020.

Please be informed accordingly,

Yours sincerely,

*-Mr. Matthew Kichodhan-*

Mr. Matthew Kichodhan

Chairman and CEO